

ON THE APPLICATION
FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY
FINDINGS UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT
TEXAS TAX CODE, CHAPTER 313 *et seq.*

ROEHM AMERICA, LLC
Comptroller Application # 1483

BOARD OF TRUSTEES
BAY CITY INDEPENDENT SCHOOL DISTRICT

REGULAR MEETING
September 21, 2020

FINDINGS UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT

PREAMBLE

WHEREAS, at a duly called Special Meeting on September 21, 2020, the Board of Trustees of the Bay City Independent School District (“Board”) considered the Application for a Limitation on Appraised Value on Qualified Property from Roehm America, LLC (“Application” and “Applicant,” respectively) pursuant to Texas Economic Development Act, Chapter 313 of the Texas Tax Code and 34 Texas Administrative Code Part 1, Chapter 9, Subchapter F;

WHEREAS, the Board acknowledges the following facts:

1. On March 23, 2020, the Bay City Independent School District (“District”) received an application for appraised value limitation on qualified property (“Application”) on the form prescribed by the Comptroller from Applicant pursuant to Chapter 313 of the Texas Tax Code - **Exhibit A**;
2. The Board acknowledged receipt of the Application and application fee and acted to consider the Application pursuant to Texas Tax Code Section 313.025(a)(1);
3. The District submitted the Application to the Texas Comptroller of Public Accounts (“Comptroller”) for review pursuant to Texas Tax Code Section 313.025(b);
4. In response to Comptroller requests, the Applicant and District submitted one amendment on April 28, 2020. – **Exhibit B**;
5. On May 27, 2020, the Comptroller issued a “completeness” letter acknowledging that the Applicant had submitted a complete application for a limitation on appraised value under the provisions of Tax Code Chapter 313 – **Exhibit C**;
6. On June 17, 2020, the District received an independent financial impact report from its financial advisor showing the estimated economic impact of the proposed tax value limitation – **Exhibit D**;
7. On June 19, 2020, the Comptroller issued a Certification for Limitation on Appraised Value letter including an economic impact evaluation pursuant to Texas Tax Code Section 313.025(b) – **Exhibit E**;

8. The District and Applicant negotiated the specific language of the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), including appropriate revenue protections pursuant to Chapter 313 of the Texas Tax Code;
9. The Agreement was reviewed and revised by the parties as requested by the Comptroller and subsequently approved via correspondence from the Comptroller dated September 4, 2020. – **Exhibit F**;
10. The Applicant is a corporation in good standing with the State of Texas as noted in its Franchise Tax Account Status – **Exhibit G**.

FINDINGS

WHEREAS, after hearing from interested parties and considering the criteria listed in Section 313.025, Texas Tax Code, and 34, Texas Administrative Code §9.1054, the Board makes the following findings:

1. The Comptroller recommends approval of the Application;
2. There is a strong and positive relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plans of the State;
3. Applicant has represented in the Application that it could locate or relocate the Project to another state or another region of this state;
4. The Project will result in revenue gains by the District and that the economic effects on the local and regional tax base are that the tax base will increase as a result of the Project and additional employment;
5. There exists a small but undetermined possibility that the Project could have an impact on enrollment from families that might temporarily relocate during the construction phase, but that any impact during the operation phase can be absorbed by current facilities;
6. The projected market value of the qualified property of the Applicant as determined by the Comptroller is Three Hundred and Fifty Million Dollars (\$350,000,000.00);
7. The proposed limitation on appraised value for the qualified property of the Applicant is Thirty Million Dollars (\$30,000,000);
8. The total projected dollar amount of District maintenance and operation taxes that would be imposed on the qualified property, for all years covered by the Agreement, if the

property does not receive a limitation on appraised value is Sixty-Three Million, Eight Hundred and Ten Thousand, and Four Hundred and Ninety-Eight Dollars (\$63,810,498.00) as shown on **Exhibit E**, Attachment A, Table 3;

9. The projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the Agreement, if the property receives a limitation on appraised value is Twenty-Three Million, Nine Hundred and Twenty-Three Thousand, Three Hundred and Forty-Five Dollars (\$23,923,345.00) as shown on **Exhibit E**, Attachment A, Table 4;
10. The total amount of taxes projected to be lost or gained by the District over the life of the Agreement computed by subtracting the projected taxes if the property receives a tax limitation from the projected taxes if the property does not receive a tax limitation is Thirty-Nine Million, Eight Hundred and Eighty-Seven Thousand, One Hundred and Fifty-Three Dollars (\$39,887,153.00) as shown on **Exhibit E**, Attachment A, Table 4;
11. The Applicant is eligible for the limitation on the appraised value of the Applicant's qualified property;
12. Applicant's qualified property is eligible for a limitation on appraised value under Texas Tax Code § 313.024 as a manufacturing project;
13. The Project proposed by the Applicant is reasonably likely to generate 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 before the 25th anniversary of the beginning of the limitation period;
14. The limitation of appraised value is a determining factor in the Applicant's decision to invest capital and construct the Project in this state;
15. Applicant will create ten (10) new qualifying jobs, and Applicant has confirmed that such jobs will meet all of the requirements of Texas Tax Code § 313.021(3);
16. The Project will be located within an area designated as a reinvestment zone by Matagorda County on April 13, 2020 pursuant to Texas Tax Code Chapter 312;
17. The information in the Application submitted by Applicant is true and correct;
18. The proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), meets all of the requirements set out

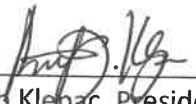
in Texas Tax Code § 313.027, including adequate and appropriate revenue protection provisions for the District;

19. The proposed Agreement is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller as of January 2020, and the Comptroller has verified that the agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 Texas Administrative Code Chapter 9, Subchapter F;
20. Considering the purpose and effect of the law and the terms of the Agreement, granting the Application and entering the Agreement are in the best interest of the District and the State;
21. The Applicant, Roehm America, LLC (Tex. Taxpayer ID # 13202524693) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. A copy of the Comptroller's Franchise Tax Account Status is attached as **Exhibit G**;
22. There are no conflicts of interest on the Board of Trustees at the time of its consideration of the Agreement; and
23. The posting of notice and conduct of the meeting at which these Findings under the Texas Economic Development Act complies with the Texas Open Meeting Act, Section 552.001 *et seq.*

IT IS THEREFORE DETERMINED THAT:

1. The Findings and the recitals in the Preamble are adopted and approved by the Board of Trustees;
2. The Application of Roehm America, LLC No. 1483 for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of qualified property is approved;
3. The Board President is authorized and designated to sign the Agreement on behalf of the District and take any other action necessary to implement the Board's decision; and
4. These Findings and Exhibits shall be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

Dated the 21st day of September, 2020.


By: Bob Klepac, President
Bay City Independent School District

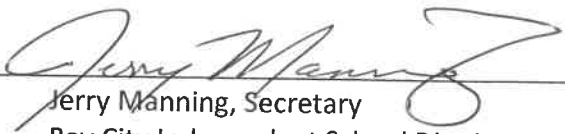

By: Jerry Manning, Secretary
Bay City Independent School District

EXHIBIT A

Application for Appraised Value Limitation on Qualified Property

ROEHM AMERICA, LLC

CHAPTER 313 APPLICATION FOR APPRAISED VALUE LIMITATION TO BAY CITY ISD

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

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, as indicated on page 9 of this application, separating each section of the documents in addition to an electronic copy. 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, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential 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 comptroller.texas.gov/economy/local/ch313/. 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

March 23, 2020

Date Application Received by District

Dr. Marshall

First Name

Scott

Last Name

Superintendent

Title

Bay City ISD

School District Name

520 7th Street

Street Address

P.O. Box 2510

Mailing Address

Bay City

City

979-401-1005

Phone Number

Texas

State

77414

ZIP

979-245-3175

Fax Number

mscott@baycityisd.org

Email Address

Mobile Number (optional)

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)*

Oscar	Treviño
First Name	Last Name
Attorney	
Title	
Walsh Gallegos Treviño Russo Kyle	
Firm Name	
512-454-6864	512-467-9318
Phone Number	Fax Number
	otrevino@wabsa.com
Mobile Number (optional)	Email Address

4. On what date did the district determine this application complete? March ☐, 2020

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)*

Jack	Chenault	
First Name	Last Name	
President	Roehm America LLC	
Title	Organization	
299 Jefferson Rd.		
Street Address		
Mailing Address		
Parsippany	NJ	07054
City	State	ZIP
973-929-8374		
Phone Number	Fax Number	
	jack.chenault@roehm.com	
Mobile Number (optional)	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.

Helio	Takahashi	
First Name	Last Name	
Project Director	Roehm America LLC	
Title	Organization	
299 Jefferson Rd.		
Street Address		
Mailing Address		
Parsippany	NJ	07054
City	State	ZIP
973-929-8297		
Phone Number	Fax Number	
	helio.takahashi@roehm.com	
Mobile Number (optional)	Business Email Address	

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Renn	Neilson
First Name	Last Name
Partner	
Title	
Baker Botts LLP	
Firm Name	
713-229-1671	713-229-7971
Phone Number	Fax Number
renn.neilson@bakerbotts.com	
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, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

\$75,000	Check
Payment Amount	Transaction Type
Roehm America LLC	Bay City ISD
Payor	Payee

Date transaction was processed

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? Roehm America LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 13202524693
3. Parent Company Name Roehm US Holding LLC
4. Parent Company Tax ID n/a
5. List the NAICS code 325211
6. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 6a. If yes, please list application number, name of school district and year of agreement
n/a

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited liability company
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.

SECTION 5: Applicant Business Structure *(continued)*

2b. List the Texas Franchise Tax Reporting Entity Taxpayer Name

n/a

2c. List the Reporting Entity Taxpayer Number

n/a

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

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

*Note: Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

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. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
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 (complete Section 13) |
| <input type="checkbox"/> Expansion of existing operation on the land (complete Section 13) | <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.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement August 2020
2. Estimated commencement of construction Q4 2021
3. Beginning of qualifying time period (MM/DD/YYYY) 08/01/2020
4. First year of limitation (MM/DD/YYYY) 01/01/2024
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP
- ☒ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations Q4 2023

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Matagorda County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Matagorda CAD
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:
- | | |
|---|---|
| M&O (ISD): <u>Bay City ISD, 1.0536%</u>
(Name, tax rate and percent of project) | I&S (ISD): <u>Bay City ISD, 0.48366%</u>
(Name, tax rate and percent of project) |
| County: <u>Matagorda, 0.433420%</u>
(Name, tax rate and percent of project) | City: <u>Bay City</u>
(Name, tax rate and percent of project) |
| Hospital District: <u>Matagorda Co Hosp Dist, 0.32159%</u>
(Name, tax rate and percent of project) | Water District: <u>Drainage Dist. #1, 0.041690%</u>
(Name, tax rate and percent of project) |
| Other (describe): <u>Port of Bay City, 0.054770%</u>
(Name, tax rate and percent of project) | Other (describe): <u>Port of Bay City, 0.054770%</u>
(Name, tax rate and percent of project) |

SECTION 10: The Property *(continued)*

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: tbd
(Incentive type, percentage, start and end year)City: n/a
(Incentive type, percentage, start and end year)Hospital District: tbd
(Incentive type, percentage, start and end year)Water District: tbd
(Incentive type, percentage, start and end year)Other (describe): tbd
(Incentive type, percentage, start and end year)Other (describe): tbd
(Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
- 6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7 and 8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.
7. 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
- 7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Texas Tax Code 313.021(1) Qualified 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 comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? \$30,000,000
2. What is the amount of appraised value limitation for which you are applying? \$30,000,000
- 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 specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - 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
 - 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: Texas Tax Code 313.021(2) Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:
- 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**);
 - 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**);
 - a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and RZ boundaries (**Tab 11**); and
 - Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? ☐ Yes ☒ No
- Note:** Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

SECTION 12: Texas Tax Code 313.021(2) Qualified Property (*continued*)

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:
- legal description of the land (**Tab 9**);
 - 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**);
 - owner (**Tab 9**);
 - the current taxable value of the land, attach estimate if land is part of larger parcel (**Tab 9**); and
 - 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:
- evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - legal description of reinvestment zone (**Tab 16**);
 - order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - guidelines and criteria for creating the zone (**Tab 16**); and
 - 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? August 1, 2020

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 within the project boundary**. 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 within the project boundary 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 within the project boundary in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
- maps and/or detailed site plan;
 - surveys;
 - appraisal district values and parcel numbers;
 - inventory lists;
 - existing and proposed property lists;
 - model and serial numbers of existing property; or
 - other information of sufficient detail and description.
4. Total estimated market value of existing property within the project boundary
(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.

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 10
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 60
3. 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) and TAC 9.1051(b)(1)? ☐ Yes ☒ No
- 3a. If yes, attach evidence of industry standard 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.
4. 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). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
- a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is 1,086.00
- b. Qualifying job wage minimum option §313.021(5)(A)
- 110% of the average weekly wage for manufacturing jobs in the county is 1,800.00
- c. Qualifying job wage minimum option §313.021(5)(B)
- 110% of the average weekly wage for manufacturing jobs in the region is 1,310.00
5. 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)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? 68,120.00
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 68,120.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
9. 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
- 9a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. 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
- 10a. 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, and C 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**.

5. 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)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? 68,120.00
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 68,120.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
9. 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
- 9a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. 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
- 10a. 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, and C 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.

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 ▶

Marshall Scott III
Print Name (Authorized School District Representative)

Superintendent
Title

sign
here ▶

[Signature]
Signature (Authorized School District Representative)

March 23, 2020
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 ▶

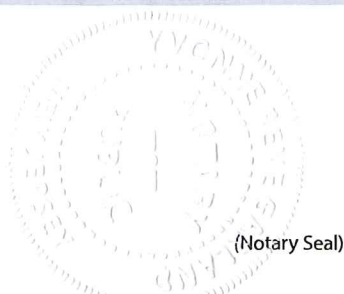
Jack Chenault
Print Name (Authorized Company Representative (Applicant))

President
Title

sign
here ▶

[Signature]
Signature (Authorized Company Representative (Applicant))

3/12/2020
Date



GIVEN under my hand and seal of office this, the

12th day of March, 2020

Y. [Signature]
 Notary Public in and for the State of Texas
 NOTARY PUBLIC OF NEW JERSEY

My Commission expires: Comm. # 2455009

My Commission Expires 5/23/2021

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.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages of the application including the signature and certification page, signed and dated by Authorized School District Representative and Authorized Company Representative. Sections 1-16
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 (if applicable)
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 (if applicable)
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 (if applicable)
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries 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 c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information (if applicable)
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable)
15	Economic Impact Analysis, other payments made in the state or other economic information (if applicable)
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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8	Description of Qualified Property
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17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

Tab 2

Proof of Payment of Application Fee

See attached.

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of
Public Accounts)*

Tab 3

Documentation of Combined Group Membership under Texas Tax Code § 171.0001(7)

Not applicable.

Tab 4

Detailed Description of Project

Provide 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/installation, and any other relevant information.

Roehm America LLC (“**Applicant**”) is currently analyzing the viability of a world-scale plant (the “**Facility**”) to produce Methyl Methacrylate, an important raw material for applications in a variety of industries—e.g. automotive, construction, etc.

If constructed, the Facility will implement an innovative technology developed by Roehm GmbH in Germany and would make use of ethylene and natural gas produced in the region.

Roehm’s new technology, named LiMA (**L**eading **i**n **M**eth**A**crylates), has the benefit of a reduced carbon footprint compared to existing technologies in the US. The plant will be highly automated and employ highly qualified personnel from the region at competitive salaries.

The Facility will be operating using the equipment generally found in chemical processing plants, including reactors, distillation columns, process pumps, compressors, etc. It will also require auxiliary equipment like steam boilers, storage tanks, etc., along with process instrumentation and distributed control systems.

The LiMA Facility will make extensive use of process sensors and online analytics, thus providing the ability to implement Advanced Process Control (APC) and process optimization strategies. Key equipment will also utilize sensors to provide real-time monitoring of their condition—enabling an effective predictive maintenance program.

This state-of-the-art Facility will ultimately result in outstandingly safe operation, consistent product quality, and enhanced operational reliability and “on-stream-time” performance.

Applicant anticipates it could begin construction in late 2021 and complete construction and commence commercial operations in 2023.

Tab 5

Documentation to assist in determining if limitation is a determining factor

Applicant is an indirect wholly-owned subsidiary of Roehm GmbH, a leading supplier of methacrylate chemicals worldwide—with 15 production sites on four continents. Roehm's global presence provides it with significant flexibility for where it can expend capital investments for new long-term expansions.

The property tax burden is a critical factor in Applicant's site selection, and Bay City ISD's maintenance and operations tax rate constitutes approximately 44% of the total property tax burden at the proposed facility location. Alternative locations offer competitive economic development incentives, including robust property tax abatement programs.

Tab 6

If located in more than one district, including list of
percentage in each district

Not applicable.

Tab 7

Description of Qualified Investment

The site under consideration is located at 2001 Farm-to-Market 3057, Bay City, TX 77414. As explained in more detail in Tab 4, the contemplated Facility is for the production of Methyl Methacrylate.

The Facility will comprise five buildings (operations building, rackroom, warehouse, compressor/chiller, valve house) with an estimated size of 36,300 square feet. In addition, there will be open air steel structure buildings with an estimated area of 19,700 square feet. The Facility's major components will include:

- Tank Farm;
- Formaldehyde Process Unit;
- Formaldehyde Tank;
- Cooling towers;
- Warehouse shops;
- Chillers / air compressors;
- Steam Boilers;
- MCC rack rooms;
- Control room;
- Pipe racks;
- Reactors;
- Distillation columns;
- Filtration systems,
- Intermediate tanks
- Heat exchangers
- Vacuum system;
- Process pumps;
- Process instrumentation;
- Distributed control systems.
- Emergency relief and off gas tanks;
- Thermal oxidizer;
- Flare

Tab 8

Description of Qualified Property

Same as Tab 7. See above description.

Tab 9

Description of Land

Not applicable. Land will not become qualified property.

Tab 10

Description of property not eligible to become qualified property (e.g., existing property or improvements that will replace existing property)

Not applicable.

Tab 11

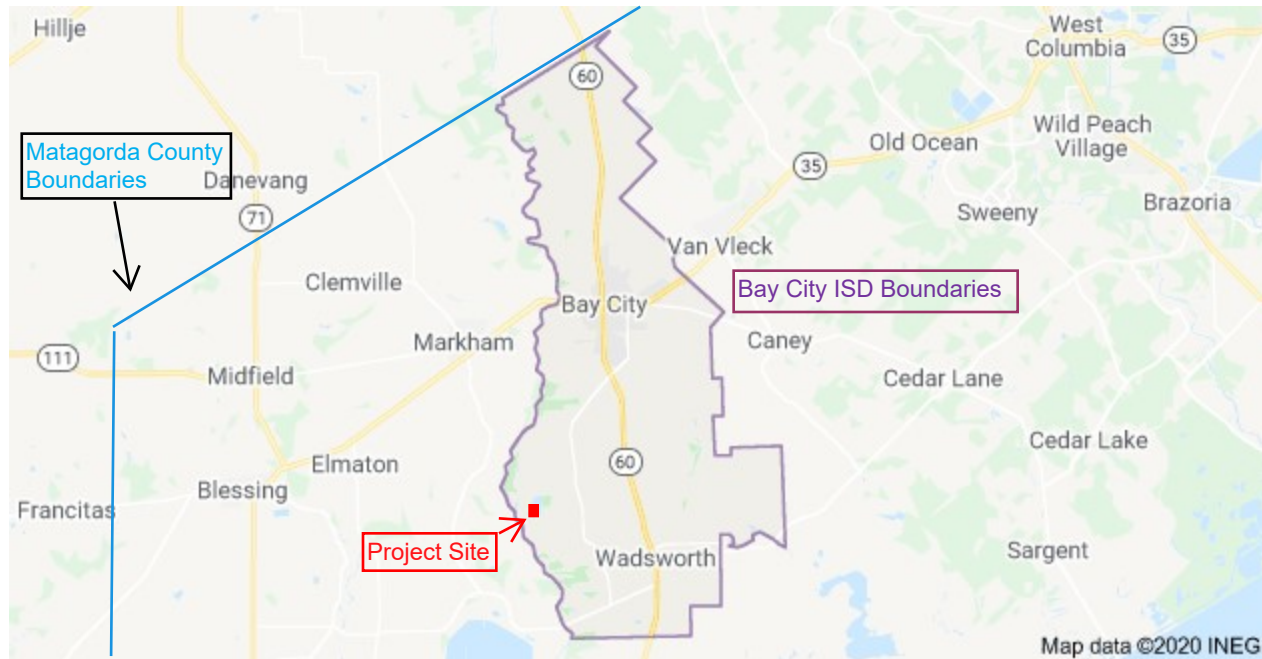
Maps

Include Maps that clearly show:

- (a) Project boundary and project vicinity, including county and school district boundaries;*
- (b) Qualified Investment including location of TPP to be placed in service during the QTP and buildings to be constructed during the QTP, with vicinity map;*
- (c) Qualified property including location of new buildings or new improvements;*
- (d) Any existing property within the project area;*
- (e) Any facilities owned or operated by the applicant having interconnection to the proposed project;*
- (f) Location of project, and related nearby projects within vicinity map;*
- (g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size.*

Attached below.

Vicinity Map #2



Tab 12

Request for Waiver of Job Creation Requirement and supporting information

Not applicable.

Tab 13

Calculation of non-qualifying wage target and two possible qualifying wage requirements with TWC documentation

See attachments.

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	04	Matagorda	Total All	10	Total, All Industries	\$ 1,138
2019	01	Matagorda	Total All	10	Total, All Industries	\$ 1,192
2019	02	Matagorda	Total All	10	Total, All Industries	\$ 1,021
2019	03	Matagorda	Total All	10	Total, All Industries	\$ 993
			Non-Qualifying Jobs:		Matagorda County average weekly wage for all jobs (§ 313.024(d))	\$ 1,086

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	04	Matagorda	Total All	1013	Manufacturing	\$ 1,531
2019	01	Matagorda	Total All	1013	Manufacturing	\$ 1,903
2019	02	Matagorda	Total All	1013	Manufacturing	\$ 1,515
2019	03	Matagorda	Total All	1013	Manufacturing	\$ 1,596
					Matagorda County average weekly wage for manufacturing jobs	\$ 1,636
			Qualifying Jobs:		110% (§ 313.021(5)(A))	\$ 1,800

COG Regional Wage for Manufacturing Jobs in Houston-Galveston Area		
	Annual	\$61,909
	Weekly	\$1,191
Qualifying Jobs:		110% Weekly (§ 313.021(5)(B))
		110% Annualized
		\$1,310
		\$68,120

Year	×	Period	×	Area	×	Ownership	×	Industry Code	×	Industry	×	Average Weekly Wage	×
	▼		▼		▼		▼		▼		▼		▼
2018		01		Matagorda		Total All		10		Total, All Industries		1,183	
2018		02		Matagorda		Total All		10		Total, All Industries		1,059	
2018		03		Matagorda		Total All		10		Total, All Industries		962	
2018		04		Matagorda		Total All		10		Total, All Industries		1,138	
2019		01		Matagorda		Total All		10		Total, All Industries		1,192	
2019		02		Matagorda		Total All		10		Total, All Industries		1,021	
2019		03		Matagorda		Total All		10		Total, All Industries		993	

Year	×	Period	×	Area	×	Ownership	×	Industry Code	×	Industry	×	Average Weekly Wage	×
	▼		▼		▼		▼		▼		▼		▼
2018		01		Matagorda		Total All		1013		Manufacturing		2,149	
2018		02		Matagorda		Total All		1013		Manufacturing		1,296	
2018		03		Matagorda		Total All		1013		Manufacturing		1,485	
2018		04		Matagorda		Total All		1013		Manufacturing		1,531	
2019		01		Matagorda		Total All		1013		Manufacturing		1,903	
2019		02		Matagorda		Total All		1013		Manufacturing		1,515	
2019		03		Matagorda		Total All		1013		Manufacturing		1,596	

2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
<u>Alamo Area Council of Governments</u>	18	\$22.80	\$47,428
<u>Ark-Tex Council of Governments</u>	5	\$18.73	\$38,962
<u>Brazos Valley Council of Governments</u>	13	\$18.16	\$37,783
<u>Capital Area Council of Governments</u>	12	\$32.36	\$67,318
<u>Central Texas Council of Governments</u>	23	\$19.60	\$40,771
<u>Coastal Bend Council of Governments</u>	20	\$28.52	\$59,318
<u>Concho Valley Council of Governments</u>	10	\$21.09	\$43,874
<u>Deep East Texas Council of Governments</u>	14	\$18.28	\$38,021
<u>East Texas Council of Governments</u>	6	\$21.45	\$44,616
<u>Golden Crescent Regional Planning Commission</u>	17	\$28.56	\$59,412
<u>Heart of Texas Council of Governments</u>	11	\$22.71	\$47,245
<u>Houston-Galveston Area Council</u>	16	\$29.76	\$61,909
<u>Lower Rio Grande Valley Development Council</u>	21	\$17.21	\$35,804
<u>Middle Rio Grande Development Council</u>	24	\$20.48	\$42,604
<u>NORTEX Regional Planning Commission</u>	3	\$25.14	\$52,284
<u>North Central Texas Council of Governments</u>	4	\$27.93	\$58,094
<u>Panhandle Regional Planning Commission</u>	1	\$24.19	\$50,314
<u>Permian Basin Regional Planning Commission</u>	9	\$25.90	\$53,882
<u>Rio Grande Council of Governments</u>	8	\$18.51	\$38,493
<u>South East Texas Regional Planning Commission</u>	15	\$36.26	\$75,430
<u>South Plains Association of Governments</u>	2	\$20.04	\$41,691
<u>South Texas Development Council</u>	19	\$17.83	\$37,088
<u>Texoma Council of Governments</u>	22	\$21.73	\$45,198
<u>West Central Texas Council of Governments</u>	7	\$21.84	\$45,431

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas Occupational Employment Statistics (OES) data,
and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.

Tab 14

Schedules A1, A2, B, and C

See schedules attached.

Date

23-Mar-20

Applicant Name

Roehm America LLC

ISD Name

Bay City ISD

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Column A	Column B	Column C	Column D	Column E			
	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)			
Investment made before filing complete application with district		Not eligible to become Qualified Property	\$ -	[The only other investment made before filing complete application with district that may become Qualified Property is land.]	\$ -			
Investment made after filing complete application with district, but before final board approval of application	\$ -	\$ -	\$ -	\$ -	\$ -			
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	\$ -	\$ -	\$ -	\$ -	\$ -			
Complete tax years of qualifying time period	QTP1	2021-22	2021	\$ 50,000,000	\$ 100,000,000	\$ -	\$ -	\$ 150,000,000
	QTP2	2022-23	2022	\$ 50,000,000	\$ 150,000,000	\$ -	\$ -	\$ 200,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 100,000,000	\$ 250,000,000	\$ -	\$ -	\$ 350,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 350,000,000				

For All Columns:

List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 100,000,000	\$ 250,000,000	\$ -	\$ -	\$ 350,000,000
Value limitation period***	0	2023-2024	2023		\$150,000,000			\$ 150,000,000
	1	2024-2025	2024					
	2	2025-2026	2025					
	3	2026-2027	2026					
	4	2027-2028	2027					
	5	2028-2029	2028					
	6	2029-2030	2029					
	7	2030-2031	2030					
	8	2031-2032	2031					
	9	2032-2033	2032					
	10	2033-2034	2033					
Total Investment made through limitation				\$ 100,000,000	\$ 400,000,000	\$ -	\$ -	\$ 500,000,000
Continue to maintain viable presence	11	2034-2035	2034					
	12	2035-2036	2035					
	13	2036-2037	2036					
	14	2037-2038	2037					
	15	2038-2039	2038					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2039-2040	2039					
	17	2040-2041	2040					
	18	2041-2042	2041					
	19	2042-2043	2042					
	20	2043-2044	2043					
	21	2044-2045	2044					
	22	2045-2046	2045					
	23	2046-2047	2046					
	24	2047-2048	2047					
	25	2048-2049	2048					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 23-Mar-20
 Applicant Name Roehm America LLC
 ISD Name Bay City ISD

Form 50-296A

Revised May 2014

				Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2022-2023	2022		\$ 100,000,000	\$ 50,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000
	0	2023-2024	2023	\$ -	\$ 250,000,000	\$ 100,000,000	\$ 350,000,000	\$ 350,000,000	\$ 350,000,000
Value Limitation Period	1	2024-2025	2024	\$ -	\$ 400,000,000	\$ 100,000,000	\$ 477,300,000	\$ 477,000,000	\$ 30,000,000
	2	2025-2026	2025	\$ -	\$ 387,200,000	\$ 96,800,000	\$ 462,035,480	\$ 462,035,480	\$ 30,000,000
	3	2026-2027	2026	\$ -	\$ 374,400,000	\$ 93,600,000	\$ 446,770,960	\$ 446,770,960	\$ 30,000,000
	4	2027-2028	2027	\$ -	\$ 361,600,000	\$ 90,400,000	\$ 431,506,440	\$ 431,506,440	\$ 30,000,000
	5	2028-2029	2028	\$ -	\$ 348,800,000	\$ 87,200,000	\$ 416,241,920	\$ 416,241,920	\$ 30,000,000
	6	2029-2030	2029	\$ -	\$ 336,000,000	\$ 84,000,000	\$ 400,977,400	\$ 400,977,400	\$ 30,000,000
	7	2030-2031	2030	\$ -	\$ 323,200,000	\$ 80,800,000	\$ 385,712,880	\$ 385,712,880	\$ 30,000,000
	8	2031-2032	2031	\$ -	\$ 310,400,000	\$ 77,600,000	\$ 370,448,360	\$ 370,448,360	\$ 30,000,000
	9	2032-2033	2032	\$ -	\$ 297,600,000	\$ 74,400,000	\$ 355,183,840	\$ 355,183,840	\$ 30,000,000
	10	2033-2034	2033	\$ -	\$ 284,800,000	\$ 71,200,000	\$ 339,919,320	\$ 339,919,320	\$ 30,000,000
Continue to maintain viable presence	11	2034-2035	2034	\$ -	\$ 272,000,000	\$ 68,000,000	\$ 324,654,800	\$ 324,654,800	\$ 324,654,800
	12	2035-2036	2035	\$ -	\$ 259,200,000	\$ 64,800,000	\$ 309,390,280	\$ 309,390,280	\$ 309,390,280
	13	2036-2037	2036	\$ -	\$ 246,400,000	\$ 61,600,000	\$ 294,125,760	\$ 294,125,760	\$ 294,125,760
	14	2037-2038	2037	\$ -	\$ 233,600,000	\$ 58,400,000	\$ 278,861,240	\$ 278,861,240	\$ 278,861,240
	15	2038-2039	2038	\$ -	\$ 220,800,000	\$ 55,200,000	\$ 263,596,720	\$ 263,596,720	\$ 263,596,720
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2039-2040	2039	\$ -	\$ 208,000,000	\$ 52,000,000	\$ 248,332,200	\$ 248,332,200	\$ 248,332,200
	17	2040-2041	2040	\$ -	\$ 195,200,000	\$ 48,800,000	\$ 233,067,680	\$ 233,067,680	\$ 233,067,680
	18	2041-2042	2041	\$ -	\$ 182,400,000	\$ 45,600,000	\$ 217,803,160	\$ 217,803,160	\$ 217,803,160
	19	2042-2043	2042	\$ -	\$ 169,600,000	\$ 42,400,000	\$ 202,538,640	\$ 202,538,640	\$ 202,538,640
	20	2043-2044	2043	\$ -	\$ 156,800,000	\$ 39,200,000	\$ 187,274,120	\$ 187,274,120	\$ 187,274,120
	21	2044-2045	2044	\$ -	\$ 144,000,000	\$ 36,000,000	\$ 172,009,600	\$ 172,009,600	\$ 172,009,600
	22	2045-2046	2045	\$ -	\$ 131,200,000	\$ 32,800,000	\$ 156,745,080	\$ 156,745,080	\$ 156,745,080
	23	2046-2047	2046	\$ -	\$ 118,400,000	\$ 29,600,000	\$ 141,480,560	\$ 141,480,560	\$ 141,480,560
	24	2047-2048	2047	\$ -	\$ 105,600,000	\$ 26,400,000	\$ 126,216,040	\$ 126,216,040	\$ 126,216,040
	25	2048-2049	2048	\$ -	\$ 92,800,000	\$ 23,200,000	\$ 110,951,520	\$ 110,951,520	\$ 110,951,520

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	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	0	2020-2021	2020					
Each year prior to start of Value Limitation Period	0	2021-2022	2021	100	\$76,000			
Each year prior to start of Value Limitation Period	0	2022-2023	2022	1000 (peak)	\$76,000			
	0	2023-2024	2023	100	\$76,000			
Value Limitation Period <small>The qualifying time period could overlap the value limitation period.</small>	1	2024-2025	2024			60	10	\$68,120
	2	2025-2026	2025			60	10	\$68,120
	3	2026-2027	2026			60	10	\$68,120
	4	2027-2028	2027			60	10	\$68,120
	5	2028-2029	2028			60	10	\$68,120
	6	2029-2030	2029			60	10	\$68,120
	7	2030-2031	2030			60	10	\$68,120
	8	2031-2032	2031			60	10	\$68,120
	9	2032-2033	2032			60	10	\$68,120
	10	2033-2034	2033			60	10	\$68,120
Years Following Value Limitation Period	11 through 25	2034 - 2049	2034 - 2048			70	0	n/a

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

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

Schedule D: Other Incentives (Estimated)

Date 23-Mar-20
Applicant Name Roehm America LLC
ISD Name Bay City ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: n/a	n/a	n/a	n/a	n/a	n/a
	City: n/a	n/a	n/a	n/a	n/a	n/a
	Other: n/a	n/a	n/a	n/a	n/a	n/a
Tax Code Chapter 312	County: Matagorda County	tbd	tbd	\$ 1,679,503	tbd	tbd
	City: n/a	n/a	n/a	n/a	n/a	n/a
	Other: Matagorda Co Hospital District	tbd	tbd	\$ 1,246,161	tbd	tbd
	Other: Drainage District #1	tbd	tbd	\$ 161,549	tbd	tbd
	Other: Port of Bay City	tbd	tbd	\$ 212,234	tbd	tbd
Local Government Code Chapters 380/381	County: n/a	n/a	n/a	n/a	n/a	n/a
	City: n/a	n/a	n/a	n/a	n/a	n/a
	Other: n/a	n/a	n/a	n/a	n/a	n/a
Freeport Exemptions						
Non-Annexation Agreements	tbd	tbd	tbd	tbd	tbd	tbd
Enterprise Zone/Project	n/a	n/a	n/a	n/a	n/a	n/a
Economic Development Corporation	n/a	n/a	n/a		n/a	
Texas Enterprise Fund	tbd	tbd	tbd		tbd	
Employee Recruitment	n/a	n/a	n/a		n/a	
Skills Development Fund	n/a	n/a	n/a		n/a	
Training Facility Space and Equipment	n/a	n/a	n/a		n/a	
Infrastructure Incentives	tbd	tbd	tbd		tbd	
Permitting Assistance	tbd	tbd	tbd		tbd	
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 3,299,447	tbd	tbd

Additional information on incentives for this project:

Tab 15

Economic Impact Analysis, other payments made in the state or other economic information

Not applicable.

Tab 16

Description of Reinvestment or Enterprise Zone

Including:

- (a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's office*
- (b) Legal description of the reinvestment zone***
- (c) Order, resolution or ordinance establishing reinvestment zone***
- (d) Guidelines and criteria for creating the zone***

***to be submitted with application or before date of final application approval by school board*

Applicant will request that Matagorda County create the reinvestment zone at a later date, prior to final application approval by the Bay City ISD Board of Trustees.

Tab 17

Signature and Certification Page

See attached.

5. 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)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? 68,120.00
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 68,120.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
9. 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
- 9a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. 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
- 10a. 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, and C 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.

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 ▶

Marshall Scott III
Print Name (Authorized School District Representative)

Superintendent
Title

sign
here ▶

[Signature]
Signature (Authorized School District Representative)

March 23, 2020
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 ▶

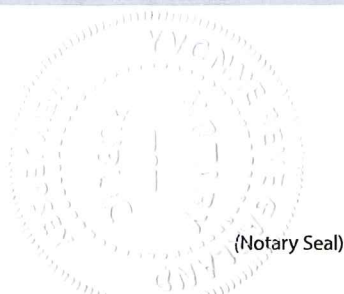
Jack Chenault
Print Name (Authorized Company Representative (Applicant))

President
Title

sign
here ▶

[Signature]
Signature (Authorized Company Representative (Applicant))

3/12/2020
Date



GIVEN under my hand and seal of office this, the

12th day of March, 2020

Y. [Signature]
 Notary Public in and for the State of Texas
 NOTARY PUBLIC OF NEW JERSEY

My Commission expires: Comm. # 2455009

My Commission Expires 5/23/2021

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.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages of the application including the signature and certification page, signed and dated by Authorized School District Representative and Authorized Company Representative. Sections 1-16
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 (if applicable)
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 (if applicable)
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 (if applicable)
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries 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 c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information (if applicable)
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable)
15	Economic Impact Analysis, other payments made in the state or other economic information (if applicable)
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

TAB 11

MAPS (ADDITIONAL MAPS)

CONFIDENTIAL MATERIAL

Tab 11

Maps

Include Maps that clearly show:

- (a) Project boundary and project vicinity, including county and school district boundaries;*
- (b) Qualified Investment including location of TPP to be placed in service during the QTP and buildings to be constructed during the QTP, with vicinity map;*
- (c) Qualified property including location of new buildings or new improvements;*
- (d) Any existing property within the project area;*
- (e) Any facilities owned or operated by the applicant having interconnection to the proposed project;*
- (f) Location of project, and related nearby projects within vicinity map;*
- (g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size.*

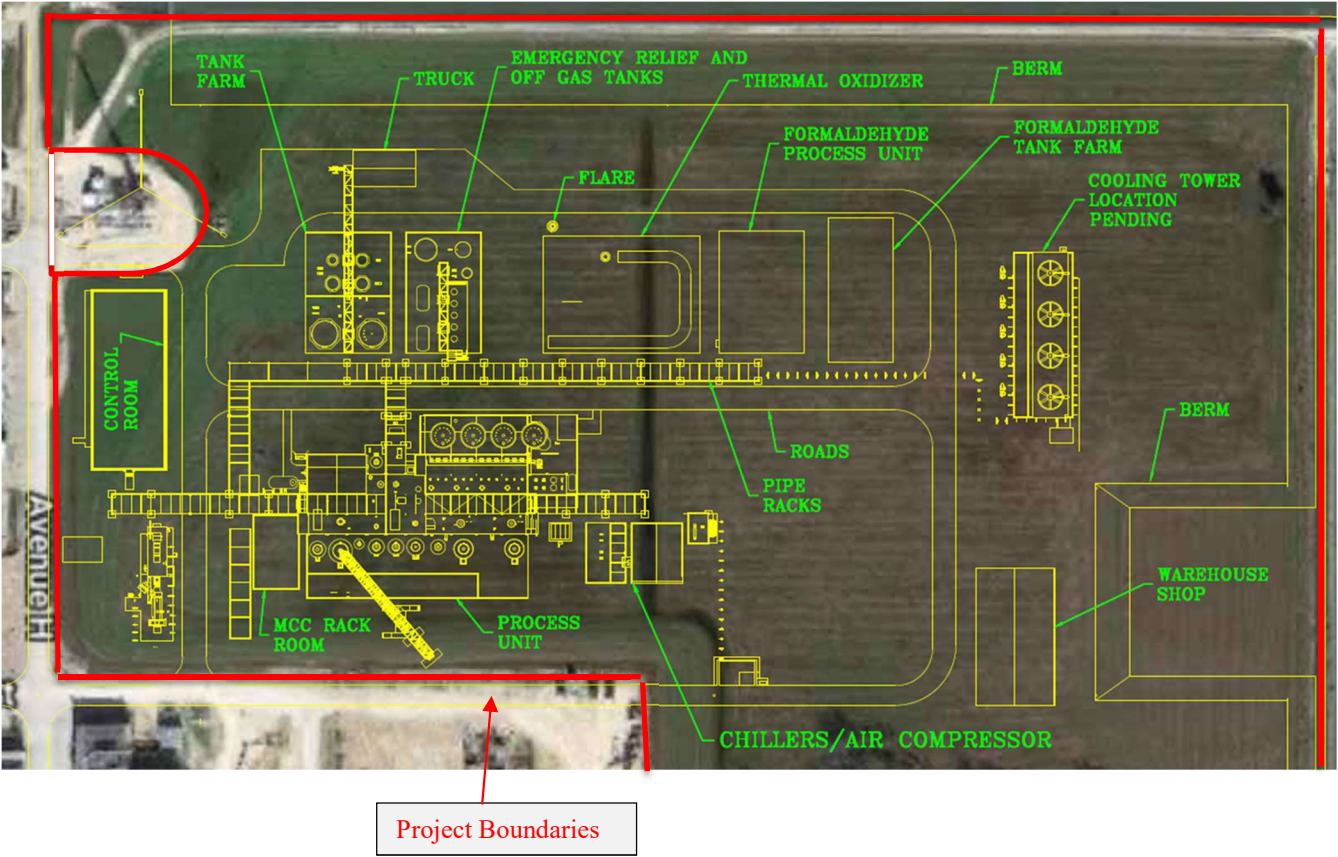
Attached below.

Roehm requests all maps be kept confidential as permitted under Tex. Tax. Code § 313.028 and Tex. Gov. Code § 552.131.

Project Boundaries



Location of Qualified Investment and Qualified Property



Roehm requests all maps be kept confidential as permitted under Tex. Tax. Code § 313.028 and Tex. Gov. Code § 552.131.

Vicinity Map #1

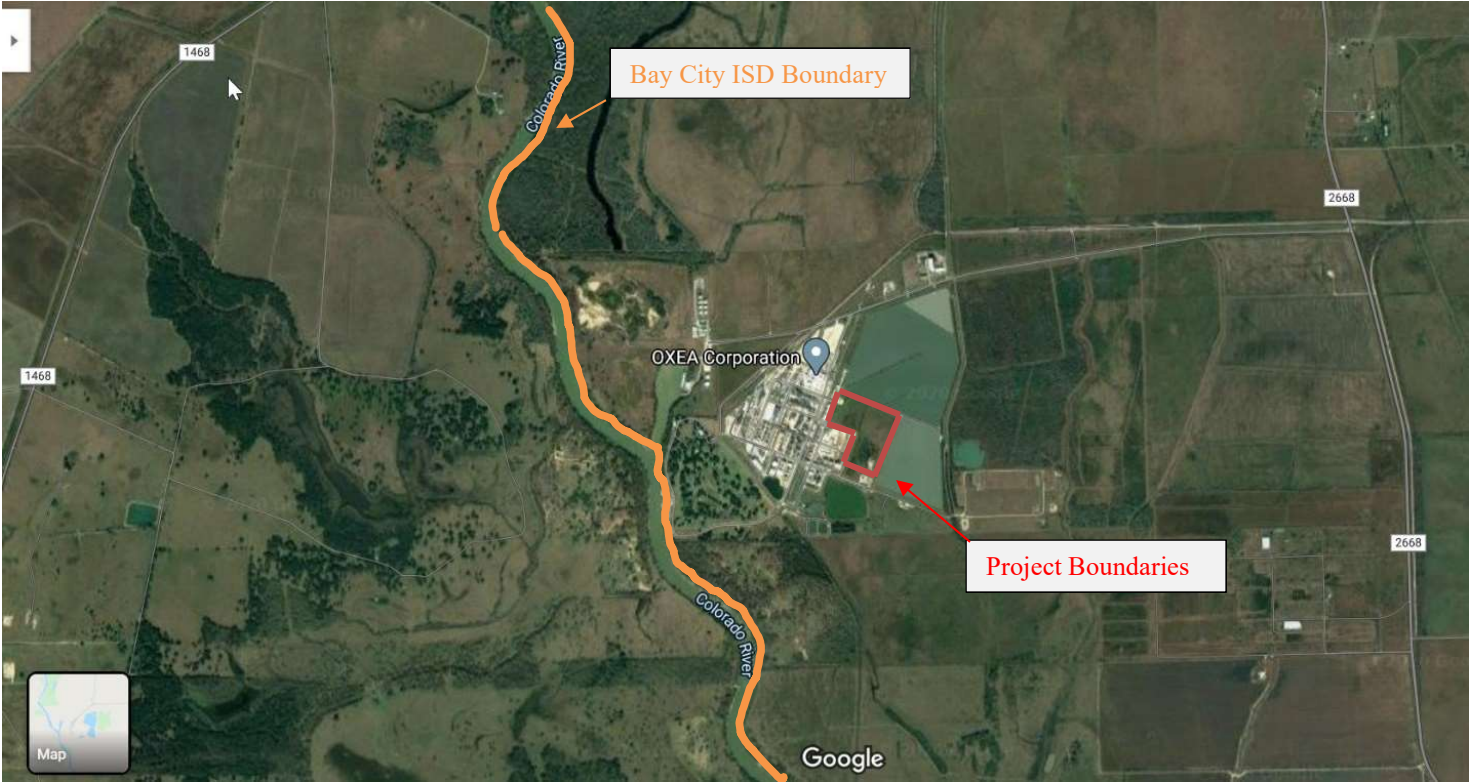


EXHIBIT B

Amendment and Supplements to Application

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-ASECTION 1: School District Information *(continued)*3. Authorized School District Consultant *(If Applicable)*

Oscar	Treviño
First Name	Last Name
Attorney	
Title	
Walsh Gallegos Treviño Russo Kyle	
Firm Name	
512-454-6864	512-467-9318
Phone Number	Fax Number
	otrevino@wabsa.com
Mobile Number (optional)	Email Address
4. On what date did the district determine this application complete? March 23, 2020	
5. Has the district determined that the electronic copy and hard copy are identical? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Jack	Chenault
First Name	Last Name
President	Roehm America LLC
Title	Organization
299 Jefferson Rd.	
Street Address	
Mailing Address	
Parsippany	NJ
City	State
973-929-8374	07054
Phone Number	ZIP
Mobile Number (optional)	Fax Number
	jack.chenault@roehm.com
	Business Email Address
2. Will a company official other than the authorized company representative be responsible for responding to future information requests? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
2a. If yes, please fill out contact information for that person.	
Helio	Takahashi
First Name	Last Name
Project Director	Roehm America LLC
Title	Organization
299 Jefferson Rd.	
Street Address	
Mailing Address	
Parsippany	NJ
City	State
973-929-8297	07054
Phone Number	ZIP
Mobile Number (optional)	Fax Number
	helio.takahashi@roehm.com
	Business Email Address
3. Does the applicant authorize the consultant to provide and obtain information related to this application? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Renn	Neilson
First Name	Last Name
Partner	
Title	
Baker Botts LLP	
Firm Name	
713-229-1671	713-229-7971
Phone Number	Fax Number
renn.neilson@bakerbotts.com	
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, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

\$75,000	Check
Payment Amount	Transaction Type
Roehm America LLC	Bay City ISD
Payor	Payee
March 19, 2020	
Date transaction was processed	

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? Roehm America LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 13202524693
3. Parent Company Name Roehm US Holding LLC
4. Parent Company Tax ID n/a
5. List the NAICS code 325211
6. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 6a. If yes, please list application number, name of school district and year of agreement n/a

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited liability company
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.

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement August 2020
 2. Estimated commencement of construction Q4 2021
 3. Beginning of qualifying time period (MM/DD/YYYY) 08/01/2020
 4. First year of limitation (MM/DD/YYYY) 01/01/2024
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP
- ☒ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations Q4 2023

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Matagorda County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Matagorda CAD
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:

M&O (ISD): <u>Bay City ISD, 1.0536%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Bay City ISD, 0.48366%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Matagorda, 0.433420%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>n/a</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Matagorda Co Hosp. Dist., 0.32159%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Drainage District #1, 0.041690%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Port of Bay City, 0.054770%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): _____ <small>(Name, tax rate and percent of project)</small>

Tab 4

Detailed Description of Project

Provide 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/installation, and any other relevant information.

Roehm America LLC (“**Applicant**”) is currently analyzing the viability of a world-scale plant (the “**Facility**”) to produce Methyl Methacrylate, an important raw material for applications in a variety of industries—e.g. automotive, construction, etc.

If constructed, the Facility will implement an innovative technology developed by Roehm GmbH in Germany and would make use of ethylene and natural gas produced in the region.

Roehm’s new technology, named LiMA (**L**ead**i**ng **i**n **M**eth**A**crylates), has the benefit of a reduced carbon footprint compared to existing technologies in the US. The plant will be highly automated and employ highly qualified personnel from the region at competitive salaries.

The Facility will be operating using the equipment generally found in chemical processing plants, including reactors, distillation columns, process pumps, compressors, etc. It will also require auxiliary equipment like steam boilers, storage tanks, etc., along with process instrumentation and distributed control systems.

The LiMA Facility will make extensive use of process sensors and online analytics, thus providing the ability to implement Advanced Process Control (APC) and process optimization strategies. Key equipment will also utilize sensors to provide real-time monitoring of their condition—enabling an effective predictive maintenance program.

This state-of-the-art Facility will ultimately result in outstandingly safe operation, consistent product quality, and enhanced operational reliability and “on-stream-time” performance.

The contemplated project site is adjacent to an existing manufacturing facility operated by OXEA Corporation. OXEA would likely provide certain raw materials, utilities, and services for Applicant’s planned manufacturing unit. Any interconnections between the two facilities will be limited.

Applicant anticipates it could begin construction in late 2021 and complete construction and commence commercial operations in 2023.

Tab 5

Documentation to assist in determining if limitation is a determining factor

Applicant is an indirect wholly-owned subsidiary of Roehm GmbH, a leading supplier of methacrylate chemicals worldwide—with 15 production sites on four continents. Roehm's global presence provides it with significant flexibility for where it can expend capital investments for new long-term expansions.

The property tax burden is a critical factor in Applicant's site selection, and Bay City ISD's maintenance and operations tax rate constitutes approximately 44% of the total property tax burden at the proposed facility location. Alternative locations offer competitive economic development incentives, including robust property tax abatement programs.

For example, Applicant is considering alternate sites in Louisiana. Applicant and Louisiana Economic Development have discussed robust property tax and jobs incentives to attract the Project, and Applicant is in the process of obtaining commitments from Louisiana.

Tab 7

Description of Qualified Investment

The site under consideration is located at 2001 Farm-to-Market 3057, Bay City, TX 77414. As explained in more detail in Tab 4, the contemplated Facility is for the production of Methyl Methacrylate.

The Facility will comprise five buildings (operations building, rackroom, warehouse, compressor/chiller, valve house) with an estimated size of 36,300 square feet. In addition, there will be open air steel structure buildings with an estimated area of 19,700 square feet. The Facility's major components will include:

- Tanks to be used in direct support of the manufacturing process, including some in-process flow through tanks, as well as other tanks needed to supply raw materials and temporarily store finished products before distribution to customers;
- Formaldehyde Process Unit;
- Formaldehyde Tank;
- Cooling towers;
- Warehouse shops;
 - The warehouse shop will be used to (i) store spare parts and auxiliary materials, and (ii) provide an area equipped to perform repair & maintenance of mechanical equipment, instrumentation, electrical items, and other items used in the manufacturing process.
- Chillers / air compressors;
- Steam Boilers;
- MCC rack rooms;
- Control room;
- Pipe racks;
- Reactors;
- Distillation columns;
- Filtration systems,
- Intermediate tanks
- Heat exchangers
- Vacuum system;
- Process pumps;
- Process instrumentation;
- Distributed control systems.
- Emergency relief and off gas tanks;
- Thermal oxidizer;
- Flare

Tab 8

Description of Qualified Property

The site under consideration is located at 2001 Farm-to-Market 3057, Bay City, TX 77414. As explained in more detail in Tab 4, the contemplated Facility is for the production of Methyl Methacrylate.

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- Filtration systems,
- Intermediate tanks
- Heat exchangers
- Vacuum system;
- Process pumps;
- Process instrumentation;
- Distributed control systems.
- Emergency relief and off gas tanks;
- Thermal oxidizer;
- Flare

Tab 16

Description of Reinvestment or Enterprise Zone

Including:

- (a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's office*
- (b) Legal description of the reinvestment zone***
- (c) Order, resolution or ordinance establishing reinvestment zone***
- (d) Guidelines and criteria for creating the zone***

***to be submitted with application or before date of final application approval by school board*

Applicant will request that Matagorda County create the reinvestment zone at a later date, prior to final application approval by the Bay City ISD Board of Trustees.

***GUIDELINES AND CRITERIA
FOR GRANTING TAX ABATEMENT
IN REINVESTMENT ZONES AND/OR
ENTERPRISE ZONES CREATED
IN MATAGORDA COUNTY***

***ADOPTED: November 18, 2019
BY
MATAGORDA COUNTY COMMISSIONERS COURT***

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**GUIDELINES AND CRITERIA
FOR GRANTING TAX ABATEMENT IN
REINVESTMENT AND/OR ENTERPRISE ZONES
CREATED IN MATAGORDA COUNTY**

**Section 1
AUTHORITY**

Matagorda County is authorized to provide tax abatement benefits in accordance with the Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended ("The Act"). The Act requires the establishment of these Guidelines and Criteria for the governing of tax abatement agreements between Matagorda County and eligible entities. The Act furthermore permits the designation of "reinvestment zones" in accordance with specific criteria.

**Section 2
PURPOSE AND INTENT**

The purpose and intent of these Guidelines and Criteria is to set forth the general parameters in which Matagorda County will operate a tax abatement program in accordance with the Act. The program is intended to be an economic development tool to assist and encourage investment to create, retain and expand full-time jobs while strengthening the tax base for Matagorda County.

All applications are considered on a case-by-case basis and the decision to approve or deny tax abatement shall be at the discretion of Commissioners Court. Nothing herein shall imply or suggest that Matagorda County is under any obligation to provide tax abatement to any applicant.

**Section 3
DEFINITIONS**

- (a) **"Abatement"** means the temporary full or partial exemption from ad valorem taxes of certain taxable improvements to real property in a Reinvestment and/or Enterprise Zone designated for economic development purposes pursuant to The Act
- (b) **"Abatement period"** means the period during which all or a portion of the value of real property or tangible personal property that is the subject of an Agreement is exempt from taxation.
- (c) **"Alternative/Renewable Energy or Fuel Facility"** means buildings, structures or equipment that are used in growing, production or generating of power or fuel sources or any alternative to fossil fuels used for generating power that is provided by abundant, natural energy sources such as solar, wind, geothermal or biomass.
- (d) **"Applicant"** means a current or potential owner of taxable real property, or current or potential owner of a leasehold interest in taxable real property, applying for abatement pursuant to these Guidelines and Criteria and the Property Redevelopment and Tax Abatement Act.
- (e) **"Aquaculture/Agriculture Facility"** means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is the

hatching, incubating, nursing, maturing and/or processing to marketable size of aquaculture products in commercially marketable quantities or the processing, refining, packaging, and distribution of food and/or fiber products in commercially marketable quantities.

- (f) **"Agreement"** means a contractual agreement between a property owner and/or Lessee and an eligible jurisdiction for the purposes of tax abatement.
- (g) **"Base Year Value"** means the assessed value of eligible property on January 1st preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1st but before the execution of the agreement.
- (h) **"Business Retention and Expansion Programs"** are programs implemented to encourage economic development from within the existing businesses in the community. Includes, but not limited to, industrial, retail, agricultural and tourism.
- (i) **"Deferred Maintenance"** means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (j) **"Economic Life"** means the number of years a property improvement is expected to be in service in a facility. Provided, however, that in no circumstance shall the number of years exceed the depreciation allowance specified in the United States Internal Revenue Code.
- (k) **"Employee"** means a person whose employment is both permanent and full-time, who is employed by the applicant for abatement for a minimum of 1,750 hours per year exclusively within the reinvestment zone, and whose employment is reflected in the tax abatement applicant's quarterly report filed with the Texas Workforce Commission.
- (l) **"Eligible Jurisdiction"** means Matagorda County, the Cities of Bay City and Palacios, and any special district which is located in Matagorda County, that levies ad valorem taxes upon and provides services to property located within a proposed or existing Reinvestment and/or Enterprise Zone.
- (m) **"Enterprise Zone"** means a specific geographic area, a census block group that has a poverty level of 20 percent or greater as identified by the 2010 U.S. Census and is recognized as such by the Texas Office of the Comptroller. Designation of an area as an Enterprise Zone under the Texas Enterprise Zone Act (Chapter 2303, Government Code) constitutes designation of the area as a Reinvestment Zone under Chapter 312, Subchapter C, Section 312.401 of the Government code.
- (n) **"Enterprise Project"** means a specific new or expanding business that can be located either in or outside of a designated Enterprise Zone that has been nominated by the Matagorda County Commissioners Court to participate in the Enterprise Zone program and is therefore eligible to receive state and/or local incentives and benefits.
- (o) **"Entertainment Project"** means a specific new or expanding business located in Matagorda County from which a majority of revenues are generated by visual arts, sporting, musical,

cinematic, theatrical, dance, recreational, arcades and/or other cultural endeavors, excluding all adult entertainment establishments.

- (p) **“Expansion”** means the addition of buildings, structures, fixed machinery or equipment for the purpose of increasing production capacity.
- (q) **“Facility”** means property improvements completed or in the process of construction which together comprise an integral whole.
- (r) **“Major Impact Project”** means
 - (i) any industrial, commercial, research and development, warehousing, distribution, transportation, energy generation, processing, mining, United States government or tourism enterprise together with all facilities required for construction, maintenance and operation of the enterprise with an initial capital investment of not less than Three Hundred Million Dollars (\$300,000,000.00) from private or United States government sources; or
 - (ii) with an initial capital investment of not less than One Hundred Fifty Million Dollars (\$150,000,000.00) from private or United States government sources together with all buildings, and facilities, structures or improvements or whatever kind required or useful for construction, maintenance and operation of the enterprise and which creates at least five hundred (500) net new full-time jobs; or which creates at least two hundred fifty (250) net new full-time jobs which provides an average salary, excluding benefits which are not subject to federal income taxation, of at least one hundred fifteen percent (115%) of the most recently published average annual wage of the state as determined by the State of Texas;
 - (iii) “Project” shall also include any ancillary development or business resulting from the enterprise, of which the authority is notified, within three (3) years from the date that the enterprise entered into commercial production, that the project area has been selected as the site for the ancillary development or business.
- (s) **“Manufacturing Facility”** means buildings, structures, fixed machinery or equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (t) **“Modernization”** means the upgrading of existing facilities that increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purposes of reconditioning, refurbishing or repairing.
- (u) **“New Facility”** means a property previously undeveloped which is placed in service by means other than or in conjunction with expansion or modernization.
- (v) **“Other Basic Industry”** means buildings and structures including fixed machinery or equipment not elsewhere described, used or to be used for the production of products or services, from which

a majority of revenues generated by activity at the facility are derived from outside Matagorda County.

- (w) **“Productive Life”** means the number of years a property improvement is expected to be in service in a facility.
- (x) **“Recycling Facility”** means the buildings and structures used in the processing of used materials (waste or by-products) into new products to prevent waste of potentially useful materials, reduce the consumption of fresh raw materials, reduce energy usage, reduce air pollution (from incineration) and water pollution (from land filling) by reducing the need for “conventional” waste disposal, and lower greenhouse gas emissions as compared to virgin production.
- (y) **“Regional Distribution Facility”** means buildings and structures including fixed machinery or equipment used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of revenues generated by activity at the facility are derived from outside Matagorda County.
- (z) **“Regional Entertainment/Tourism Facility”** means buildings and structures, including fixed machinery or equipment used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside Matagorda County.
- (aa) **“Regional Service Facility”** means buildings and structures, including fixed machinery or equipment used or to be used to provide a service, from which a majority of revenues generated by activity at the facility are derived from outside Matagorda County.
- (bb) **“Reinvestment and/or Enterprise Zone-County Designated”** means any area of Matagorda County which has been designated a Reinvestment and/or Enterprise Zone for tax abatement purposes and which is not within the tax jurisdiction of any incorporated municipality. It is the intent of the Matagorda County Commissioners Court to designate such Zones on a case-by-case basis.
- (cc) **“Reinvestment and/or Enterprise Zone-Municipality Designated”** means any area of Matagorda County which lies within the tax jurisdiction of a municipality and has been designated a Reinvestment and/or Enterprise Zone by that jurisdiction for tax abatement purposes. The Matagorda County Commissioners Court may provide industrial tax abatement within municipality designated Reinvestment and/or Enterprise Zones as long as the tax abatement granted by Matagorda County is in concert with the tax abatement guidelines contained herein.
- (dd) **“Research Facility”** means buildings and structures, including fixed machinery or equipment used or to be used primarily for research and experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (ee) **“Tourism”** refers to the tourist industry encompassing the activity of travel to points of destination for business or leisure, through which tourist services are created and supplied either directly or through intermediaries. Types of tourist industry include but are not limited to tour

organizing services, tourist information services, accommodation services, food services, entertainment and other tourist services.

Section 4 **ABATEMENT AUTHORIZED**

- (a) **Reinvestment Zone.** To be eligible for tax abatement the owner must own taxable real property which is the subject of the tax abatement which is located within a reinvestment zone designated by the governing body of a municipality or the County in accordance with the Property Redevelopment and Tax Abatement Act and must enter into a written agreement with the County wherein the owner agrees to make specified improvements or repairs to the property and, if applicable, that such specified improvements or repairs to the property are being made in conformity with the municipality's comprehensive plan.
1. **Unincorporated Areas.** The Commissioners Court, by order, may designate as a reinvestment zone an area of the County that does not include area in the taxing jurisdiction of a municipality.
 2. **Public Hearing/Designation of area as reinvestment zone.**
 - a. The Commissioners Court may not designate an area as a reinvestment zone until it holds a public hearing on the designation and finds that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property to be included in the zone and would contribute to the economic development of the County.
 - b. At the hearing, interested persons are entitled to speak and present evidence for or against the designation.
 - c. Advance notice of the public hearing must be given in compliance with the requirements of Sections 312.201 and 312.401 of the Texas Tax Code. Accordingly, not later than the seventh (7th) day before the date of the hearing, notice of the hearing must be:
 - i. Published in a newspaper having general circulation in the County; and
 - ii. Delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone. For purposes of this requirement, the County shall mail the notice of the public hearing to the respective presiding officer(s) by certified mail, return receipt requested, with proper postage affixed.
 - d. Notice is presumed delivered when placed in the mail postage-paid and property addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the County is considered to have been delivered to the addressee.
 3. **Expiration of reinvestment zone under this section.** The designation of a reinvestment zone under this section expires five years after the date of the designation and may be renewed for periods not to exceed five years. Provided however, that the expiration of the designation does not affect existing agreements made under this Section.
 4. **Enterprise Zone.** Designation of an area as an enterprise zone under Chapter 2303 of the Government Code constitutes a designation of the area as a reinvestment zone under these Guidelines and Criteria without further hearing or other procedural requirements other than those provided by Chapter 2303 of the Government Code.

5. **Location.** Property may be located both in a reinvestment zone designated by the County under this section and in a reinvestment zone designated by a municipality.
6. **Prohibition.** The County shall not establish a reinvestment zone for the purpose of tax abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.
7. **Chapter 381 Incentive.** The County's general policy is that a tax abatement and a Chapter 381 agreement will not co-exist for one entity. The eligible entity shall not be granted a tax abatement if they have opted to enter into a Chapter 381 agreement with the County.

(b) **Authorized Facility.** A facility may be eligible for abatement if it is a:

- Manufacturing facility,
- Private company performing a governmental function,
- Research facility,
- Recycling facility,
- Renewable or alternative energy or fuel facility
- Aquaculture/agriculture facility,
- Regional distribution facility,
- Regional service facility,
- Regional entertainment/tourism facility,
- Other basic industry.

(c) **Authorized Date.** A facility shall be eligible for tax abatement if it has applied for such abatement prior to the commencement of construction, provided, that such facility meets the criteria granting tax abatement in Reinvestment and/or Enterprise Zones created in Matagorda County pursuant to the guidelines and criteria adopted by the Matagorda County Commissioners Court, hereafter "Commissioners Court", and will be considered on a case-by-case basis.

(d) **Creation of New Value.** Abatement may only be granted for the additional taxable value of eligible property improvements made subsequent to and listed in an abatement agreement between Matagorda County and the property owner and/or Lessee, subject to such limitations as the County Commissioners Court may require.

(e) **New and Existing Facilities.** Abatement may be granted to new facilities and improvements to existing facilities for purposes of modernization and expansion of existing facilities and structures, unless the property is property described by Section 312.211(a) of the Texas Tax Code (in which it must conform with Section 312.211).

If a company requests an abatement without the creation of new jobs to remain competitive or reduce labor force, they shall submit a timeline of Worker Adjustment and Retraining Notification notices (WARN) will be issued. The County shall be provided copies of all WARN notices issued by a company under this section.

(f) **Eligible Property.** Abatement may be extended to the taxable value of buildings, structures, fixed machinery, equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility. The economic life of

the property and improvements must exceed the life of the abatement agreement. The value of all property shall be the certified appraised value for each year, as finally determined by the Matagorda Central Appraisal District.

(g) **Ineligible Property.** The following classes of property shall be fully taxable and ineligible for abatement:

- Land,
- Inventories,
- Supplies,
- Furnishings or other forms of movable personal property,
- Vehicles, marine vessels, or aircraft,
- Deferred maintenance investments,
- Residential property,
- Property that is associated with any activity that is illegal under federal, state or local law,
- Property owned or used by the State of Texas or its political subdivisions,
- Property owned by any organization which is owned, operated or directed by a political subdivision of the state.

(h) **Leased Facilities.** If an authorized facility eligible for tax abatement is leased, the agreement shall be executed with both the Lessor and the Lessee.

(i) **Disputing Assessed Value.** All companies requesting abatement agree that binding arbitration is the sole recourse for any protest, application, negotiation or other procedure available to tax payers. If a company granted a tax abatement believes they have grounds to challenge or dispute the assessed value, they may present this information to Commissioners Court and request arbitration. The Commissioners Court will/may initiate the process for the company to enter into binding arbitration with the Matagorda Central Appraisal District and the company shall comply.

(j) **Tax Abatement Not Applicable to Public or Non-Tax Paying Entities.** Public or non-tax paying entities are not eligible to receive tax abatement from Matagorda County.

(k) **Value and Term of Abatement.**

1. Effective Date of Abatement – Abatement shall be granted effective with the January 1st valuation date immediately following the date of execution of the agreement, unless another date is established by agreement between the applicant and Matagorda County Commissioners Court, as allowed by state law [See Section 3 (f) below].
2. Term and Value of Abatement – The value and term of abatement on new eligible property shall be determined on a case-by-case basis. Table 1 provides a guideline for consideration by Commissioners Court but from which it may vary the length and abatement percentage of any application on a case-by-case basis.

TABLE 1

Project	New Jobs Created	Years/Total Percentage Available	Possible Abatement Percentages Per Year
New Industry Project	10 or more	5 years – 380%	100%-85%-75%-65%-55%
Tourism/ Entertainment	10 or more	5 years – 380%	100%-85%-75%-65%-55%
Existing Businesses	10 or more *Unless WARN exception	5 years – 380%	100%-85%-75%-65%-55%
Major Impact Project	250 or more	10 years – 1,000%	100% each year

3. **Additional Tax Abatement Percentage Available** – The County may offer additional percentage of tax abatement for the years in the agreement for the employment of Matagorda County residents. The additional percentage, based on the chart below, can be offered beginning in year three. If the company hires Matagorda County residents in years one and two, the County can carry the additional abatement percentage to the third year, however, in no year shall more than 100% be abated. Regardless of whether the company attempts to use this additional percentage, preferential treatment shall be given to hiring operations and construction workers residing in Matagorda County, not only in the construction phase of the facility, but also during operations thereafter.

Matagorda County Residents Hired	Additional Percentage Offered
25-34%	5%
35-44%	10%
45-54%	15%
55-64%	20%
65-74%	30%
75-84%	35%
85-94%	40%
95-100%	50%

- (1) **Duration of Abatement** – The duration of an abatement agreement shall not exceed the maximum period of tax abatement allowed by state law of 10 years or one-half (1/2) the economic

life of the eligible property, whichever is less. Furthermore, under no circumstances shall the value of the abatement exceed 100 percent (100%) of the eligible taxable property value in a single year.

(m) **Minimum Economic Qualification.** To be eligible to receive tax abatement, the planned new facility or the planned expansion to or modernization of an existing enterprise must meet the following qualifications:

1. Must increase the appraised value of the taxable property in the amount of not less than one million dollars (\$1,000,000) after construction is completed or three years from the commencement of construction, whichever is less.
2. Must create new employment or prevent the loss of employment by job retention for not less than 10 persons associated with the production of goods and services at the authorized facility on a full-time, permanent basis in Matagorda County. Two or more part-time, permanent employees totaling an average of not less than 40 hours per week may be considered as one full-time, permanent employee. Employees must be employed by the tax abatement Applicant and cannot be paid by an on-site contractor or sub-contractor.
3. **WARN Notice** - If a company requests an abatement without the creation of new jobs to remain competitive or reduce labor force, they shall submit a timeline of Worker Adjustment and Retraining Notification notices (WARN) will be issued. The County shall be provided copies of all WARN notices issued by a company under this section.
4. Companies seeking to qualify for tax abatement on the basis of job retention shall document that without the creation of a Reinvestment and/or Enterprise Zone and/or tax abatement the company will either reduce employment or cease operations.
5. New jobs shall not be construed as transferring employment from one part of Matagorda County to another.

(n) **Taxability.** From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section 4 (g), above, shall be fully taxable;
2. The base year value of existing eligible property as determined each year shall be fully taxable, and
3. The additional value of new eligible property shall be taxable in the manner described in Section 4 (j)(2), above.

(o) **Conflict of Interest.** Property that is in a Reinvestment and/or Enterprise Zone and that is owned or leased by a member of the governing body of Matagorda County or its political subdivisions shall be excluded from any property tax abatement.

- (p) **Matagorda County Vendors.** The Applicant and the Applicant's contractors shall make every effort to utilize the services of Matagorda County vendors where applicable during construction and operations.

Section 5 APPLICATION

- (a) Any present or potential property owner of taxable property in Matagorda County may request the creation of a Reinvestment and/or Enterprise Zone and tax abatement by filing a written application with the Matagorda County Economic Development Corporation. *Nothing within these guidelines shall be construed to suggest that Matagorda County is under obligation to provide any abatement to any applicant even if certain criteria are met. The County Commissioners Court reserves the right to reject any application.* The County may condition the amount or duration of tax abatement granted to achievement of investment amounts, new employment numbers or other requirements specified in a tax abatement agreement.
- (b) The application shall consist of a completed application form accompanied by the following:
1. A cover letter clearly stating the abatement time frame sought, abatement percentages sought and any variances requested from these Guidelines and Criteria. The letter should also identify any considerations or proffers the Applicant may want to offer to the County.
 2. A non-refundable application fee of \$1,000 payable to Matagorda County;
 3. A general written description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;
 4. A descriptive list of the improvements that will be a part of the facility;
 5. An estimate of the cost of improvements;
 6. A map, metes and bounds, and legal property description;
 7. A time schedule for undertaking and completing the planned improvements;
 8. Such financial and other information as deemed appropriate by the County Commissioners Court for purposes of evaluating the application;
 9. An estimate of the number of employees during construction and thereafter to operate the facility;
 10. A proposed program for the recruitment of local employees in the construction and operation of the facility together with a statement affirming the Applicant's commitment to equal employment opportunity and hiring, at all levels, including a plan to implement and ensure such equal employment opportunity;

11. A certification prepared by the County Tax Assessor-Collector stating that all of Applicant's tax accounts within the County are paid on a current basis or that the applicant does not have a tax account within the County;
 12. If applicable, a schedule of WARN notices being issued to Texas Workforce Commission;
 13. Information pertaining to the reasons that the requested tax abatement is necessary to ensure the proposed project is built in the County (i.e., documentation supporting assertion that "*but for*" a tax abatement, the stated project could not be constructed in the County);
 14. For a leased facility, the Applicant shall provide with the application the name and address of the lessor and a draft copy of the proposed lease or option to contract. In the event a lease or option contract has already been executed with the owner of the site, the document must include a provision whereby the abatement applicant may terminate such contract without penalty or loss of earnest money in the event the County does not grant a tax abatement;
 15. A narrative addressing the points raised in the description of narrative accompanying the Application for Tax Abatement form;
 16. Applicant shall include its history of environmental compliance;
 17. Confirmation on whether the property is located within a reinvestment zone established under the Tax Increment Financing Act (TIFA), and if so, then Applicant shall also provide a list of the members of the board of directors for the TIFA reinvestment zone, detailing their positions on the board, and, at minimum, contact information for the chair of the board and the secretary of the board; and
 18. For abatement of property located within a municipality, Applicant shall provide a true and complete copy of the respective city ordinance or ordinances designating the reinvestment zone, including any amendments to the city ordinance or ordinances designating the reinvestment zone. For abatement of property located within a municipality and located within an enterprise zone, the Applicant shall provide a true and complete copy of the ordinance or ordinances designating the enterprise zone, including any amendments to the respective designation ordinance or ordinances, or when applicable, documentation from the Governor's Office showing the enterprise zone is active. Such ordinances or ordinances or documentation shall show that the reinvestment zone or enterprise zone remain active at the time of the submission of Applicant's application. Applicant further acknowledges and agrees that the respective zone must also still be active at the time of full execution of the Agreement on the date of the last Party executing thereto.
- (c) **Modernization.** In the case of modernization, Applicant shall include a statement of the assessed value of the facility separately stated for real and personal property for the tax year immediately preceding the application.
- (d) **Job Retention.** In the case of an application based on job retention, Applicant shall include a statement and sufficient information to verify the potential of job loss that would occur without the abatement.

- (e) Upon receipt of a complete application, the Executive Director of the MCEDC shall make an initial determination of whether the project qualifies for tax abatement under these Guidelines and Criteria, and issue his or her recommendation as to whether the proposed project qualifies under these Guidelines and Criteria to the Commissioners Court, including requesting authorization from the Commissioners Court regarding scheduling the public hearing, creating the reinvestment zone, and negotiating the tax abatement agreement. If an Agreement is subsequently approved by the Commissioners Court, then the Director of the MCEDC shall provide a fully executed copy of the Agreement to the Matagorda County Auditor and to the Matagorda County Tax Assessor-Collector.
- (f) If the County intends to act favorably on the application and enter into an agreement with the Applicant, the County shall do so in writing with the owner of the taxable real property located in an area designated as a reinvestment zone to exempt from taxation all or a portion of the increase in the value of the property over its value in the year in which the agreement is executed, subject to the provisions of these Guidelines and Criteria. Property eligible for abatement includes only new improvements commencing after approval of a tax abatement agreement with the County. The County may not enter into a tax abatement agreement unless it finds that the terms of the agreement and the property subject to the agreement meet the requirements of these Guidelines and Criteria.
- (g) Before acting upon the application, the County Commissioners Court shall, through a public hearing, afford the applicant and the general public opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Commissioners Court agenda to be posted in accordance with the Texas Property Redevelopment and Tax Abatement Act and the Texas Open Meetings Act. The Applicant shall reimburse the County the cost of publishing notices of the public hearing(s) in the local newspaper(s).
- (h) After receipt of an application for creation of a Reinvestment and/or Enterprise Zone and application for tax abatement, the County Commissioners Court may require an economic impact study setting out the impact of the proposed Reinvestment and/or Enterprise Zone and tax abatement and the expense of the study shall be the sole responsibility of the entity requesting the proposed abatement. The economic impact study shall include, but not be limited to, an estimate of the economic effect of the creation of the Zone and the abatement of taxes to local entities and the cost/benefit to the County and other effected taxing jurisdictions. The economic impact study shall also include projections of the secondary jobs that may result from the applicant's proposed project. An economic impact study shall be required for all abatement agreements that grant 500% or more in tax abatement, unless waived by Commissioners Court with a supermajority vote.
- (i) A request for a Reinvestment and/or Enterprise Zone for the purpose of tax abatement ***shall not be granted*** if the County Commissioners Court finds that the request for abatement was filed ***after*** the commencement of construction, alteration, or installation of improvements related to proposed expansion, modernization or new facility authorized as eligible under these guidelines.
- (j) When a large construction project requires a long lead-time for ordering fabrication of specialized equipment for the project before the scheduled start of construction, the year the tax abatement period begins will be subject to negotiations between the applicant and County Commissioners Court, where such flexibility in the start period of the tax abatement is allowed by state law.

- (k) Variances from parts of this policy may be considered by County Commissioners Court. A request for variances from provisions of these guidelines shall be made in written form in the cover letter to the application. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance or variances. Approval of a request for variance requires a three-fourths (3/4) vote of the Commissioners Court.
- (l) All projects will be weighted on their own merit and the County reserves the right to adjust benefits based on the economic impact, infrastructure impact, average rate, and utilization of local labor.

Section 6 PUBLIC HEARING

- (a) Should any affected jurisdiction or taxing entity be able to show cause in the public hearing why the grant of abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity or the provision of services, that showing shall be reason for the County Commissioners Court to deny any designation of the Reinvestment and/or Enterprise Zone, the granting of abatement, or both.
- (b) A Reinvestment, Enterprise Zone, or an abatement agreement shall not be authorized if it is determined that:
 - 1. There would be a substantial adverse effect on the provision of government services or on the tax base;
 - 2. The applicant has insufficient financial capacity to make the proposed expenditures;
 - 3. Planned or potential use of the property would constitute a hazard to public safety, health or morals under existing local, state or federal laws, or
 - 4. Planned or potential use of the property violates other codes or laws.

Section 7 AGREEMENT

- (a) After approval of an application, County Commissioners Court shall formally pass a resolution and execute a legal agreement with the owner of the facility and/or Lessee, which shall include the following:
 - 1. Estimated total value(s) to be abated and the base year value;
 - 2. Estimated percent of value to be abated each year as provided for in Section 2(i)(2), above.
 - 3. The commencement and termination dates of the abatement;
 - 4. The proposed use of the facility, nature of the construction, time schedule for construction and commencement of operations, map, property description as provided

by the applicant, and improvements as listed in the application under Section 3(b), above,

5. Contractual obligations in the event of default, violation of terms and conditions, delinquent taxes, recapture, administration and assignment as provided for in Sections 2(a), 2(e), (2f), 2(h) (2i), (2j) (2k) and (2l), , or other provisions that may be required for uniformity or by state law, and
6. Amount of investment to be made in, and the required number of new positions or retained positions to be associated with the facility during the abatement period.

- (b) **Prior written notice of tax abatement agreement to other taxing units.** Not later than the seventh (7th) day before the date on which the County enters into an Agreement, the Director of the CSD serving as the County's designee shall deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located a written notice stating that the County intends to enter into the agreement. The notice must include a copy of the proposed agreement. The notice is presumed delivered when placed in the mail postage paid and properly addressed to the presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the County is considered to have been delivered to the addressee.
- (c) **Approval by Commissioners Court/Resolution required.** To be effective, an agreement must be approved by the affirmative vote of a majority of the members of the Commissioners Court at a regularly scheduled meeting of the Commissioners Court. After the public hearing, the Commissioners Court shall adopt a resolution finding that the proposed agreement filed with the resolution, a copy of which must be attached thereto, meets the applicable provisions of these Guidelines and Criteria. The resolution shall also authorize the execution of the agreement with the owner of the facility or, if applicable, the lessee.
- (d) **Specific terms of tax abatement agreement – statutory mandatory requirements.** The execution, duration, and other terms of the Agreement are governed by the provisions of Sections 312.204, 312.2041, 312.205, and 312.211 of the Tax Code applicable to a municipality. Accordingly, the Agreement shall:
 1. List the kind, number, and location of all proposed improvements of the property;
 2. Provide access to and authorize inspection of the property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
 3. Limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
 4. Provide for recapturing property tax revenue lost as a result of the Agreement if the owner of the property fails to make the improvements or repairs as provided by the Agreement;
 5. Contain each term agreed to by the owner of the property;

6. Require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the Agreement; and
7. Provide that the Commissioners Court may cancel or modify the Agreement if the property owner fails to comply with the Agreement.

(e) **Specific terms of tax abatement agreements – additional mandatory requirements.** The Agreement shall also:

1. Include a map showing existing uses and conditions of real property in the reinvestment zone;
2. Include a map showing proposed improvements and uses in the reinvestment zone;
3. List the commencement date and termination date of abatement;
4. Include a provision that the Agreement shall be effective when executed by all parties and, if the reinvestment zone is being designated by a municipality, upon the final passage of an ordinance designating the reinvestment zone;
5. Include provisions that the owner or lessee will: obtain and maintain all required permits and other authorizations from the Federal and State agencies with authority regarding the property, including without limitation and if applicable, the United States Environmental Protection Agency and the Texas Commission on Environmental Quality (TCEQ) for the construction and operation of its facility and for the storage, transport, and disposal of solid waste; and seek a permit from the TCEQ for all grandfathered units on the site of the abated facility by filing with the TCEQ, within three years of receiving the abatement, a technically complete application for such a permit;
6. List the proposed use of the facility, the nature of construction, time schedule, property description, and improvement list;
7. Include a requirement that the Applicant annually file a report with the County describing the Applicant's efforts towards local hires and using local vendors and subsequent to completion, progress on construction. This annual report to the County shall also include a January employee count for the abated facility that corresponds to employee counts reported in the facility Employer's Quarterly Report to the Texas Workforce Commission for the quarter most recently ended at calendar year-end; and
8. List whether the property subject to abatement is located within a reinvestment zone established under the Tax Increment Financing Act, and if no, then the Owner shall be required to represent and warrant that the property is not located within a reinvestment zone established under the Tax Increment Financing Act.

(f) **Mandatory terms in these Guidelines are not limitations on requiring additional terms for tax abatement.** The Commissioners' Court retains the right to require additional terms and conditions for abatement and the listing of mandatory provisions specified in this Section 12 is not a limitation on the terms and conditions that may be required by the Commissioners' Court.

- (g) **Recapture provisions describe below.**

**Section 8
RECAPTURE**

- (a) **Discontinuation/Significant Reduction of Production/Services.** In the event that the facility is completed and begins producing goods and/or services, but subsequently discontinues such production for any reason for a period of 180 days while the Agreement is active, or one year in the event of a declared disaster under the Texas Disaster Act of 1975 in which the disaster is the cause for the discontinuation, then the agreement shall automatically terminate and so shall the abatement of taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for the calendar year shall be paid to the County within sixty (60) days from the date of termination. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added

Any reduction of 50% or more from the estimated production/service in the application shall constitute a significant reduction in the production/service shall constitute a significant reduction in the production of product or service. The company or individual shall notify the County in writing at the address stated within the Agreement within (10) business days from any discontinuation or significant reduction, stating the reason for the discontinuation or significant reduction. If the County determines that this requirement for notification has not been complied with, the Agreement may be terminated immediately and all taxes previously abated by virtue of the Agreement shall be recaptured and must be paid within sixty (60) calendar days. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added

- (b) **Default under Terms and Conditions of Agreement.** Should the County determine that the company or individual is in default according to the terms and conditions of the abatement agreement, the County shall notify the company or individual, in writing, at the address stated in the agreement, and if such non-compliance is not resolved within sixty (60) days from the date of such notice, then the agreement shall be terminated and all taxes previously abated by the Agreement shall be recaptured and must be paid within sixty (60) calendar days. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added
- (c) **Delinquent ad valorem taxes cause for termination.** In the event that the company or individual:

1. Allows its ad valorem taxes owed the County or affected jurisdictions to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or
2. Violates any of the terms and conditions of the abatement agreement and fails to resolve such violations within sixty (60) days from the date of written notice from Matagorda County or its designated agent of such violations, then the agreement may be terminated and all taxes previously abated by virtue of the tax abatement agreement will be recaptured and paid to the County by the company or individual within sixty (60) days of the

termination. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added

- (d) **Sale to Non-Tax Paying Entity.** If a tax paying company receives a tax abatement from Matagorda County and then sells the facility or company to a public or non-tax paying entity, then the tax abatement agreement shall be declared in default by Matagorda County and all previously received tax abatements shall be recaptured and paid to the County by either the original recipient of the tax abatement or by the new purchasers of the facility or company within sixty (60) days of default of the tax abatement agreement. Matagorda County will notify the original tax abatement recipient and the new owners of the default and recapture requirement. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added
- (e) **Penalty and Interest.** If taxes previously abated are recaptured, the company or individual shall also be responsible for payment of a penalty or interest, or both, on that recaptured property tax revenue as specified in the tax abatement agreement.

Section 9 ADMINISTRATION

- (a) The Chief Appraiser of the County shall, as a normal consequence of his duties, annually determine an assessment of the real and personal property comprising the Reinvestment Zone, Enterprise Project or tax abatement project. Each year, the company or individual receiving abatement shall furnish the Chief Appraiser and the County with such information as may be necessary for maintaining the abatement, including investments made in the facility. Once the value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessment. The applicant shall provide this information to the Chief Appraiser and to Commissioners Court by March 15th of each year.
- (b) The agreement shall stipulate that employees and/or designated representatives of the County will have access to the Reinvestment and/or Enterprise Zone during the term of the abatement agreement to inspect the facility to determine if the company or individual is in compliance with the terms and conditions of the abatement agreement. All inspections will be made only after notification of not less than twenty four (24) hours and will only be conducted in such manner as not to unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual present and in accordance with the company's safety standards.
- (c) Upon completion of construction, the County or the jurisdiction creating the Reinvestment and/or Enterprise Zone shall annually evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the Commissioners Court and County Attorney.
- (d) All proprietary information required by the County for purposes of monitoring compliance by a company with the terms and conditions of an abatement agreement shall be considered confidential to the extent permitted by law.
- (e) The company must file an annual status report by March 15th of each year of the abatement.

These reports will contain the amount of qualified taxable investment made, a total employee count that corresponds to employment counts reported in the Company's Quarterly Reports to the Texas Workforce Commission. It will also identify the number of employees filling the new positions created for the tax abatement. The report will demonstrate whether the company has met the conditions of the abatement agreement. If the company is deemed not in compliance with the agreement, the County Commissioners Court may cancel or modify the agreement at any time.

- (f) The agreement will be registered with both the Texas Department of Commerce and the State Comptroller. This report must contain a general description of the Reinvestment and/or Enterprise Zone as well as information about the specific agreement – the name of parties involved, the project, the portion of the property to be exempt, and duration of the agreement. *It is the responsibility of the property owner to annually certify to the Chief Appraiser and County Commissioners Court that the project is in compliance with the Reinvestment and/or Enterprise Zone creation agreement and tax abatement agreement.*
- (g) Matagorda County may cancel the entire agreement if the property owner fails to comply with terms of the written agreement and obtain a recapture of all tax abatements previously given to the company or individual.

Section 10 ASSIGNMENT

- (a) Abatement may be transferred and assigned by the holder to a new owner or Lessee of the same facility upon the approval by resolution of County Commissioners Court subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the County Commissioners Court.
- (b) The expiration date of the new contractual agreement shall not exceed the termination date of the abatement agreement with the original owner and/or Lessee.
- (c) No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new Lessee are liable to Matagorda County or any affected taxing jurisdiction for outstanding taxes or other obligations.
- (d) Approval of a transferred and assigned agreement shall not be unreasonably withheld.

Section 11 FEDERAL AND STATE COMPLIANCE

- (a) **Confidentiality of Proprietary Information/Public Information Act.** Applicant acknowledges that the County is a governmental body subject to the Public Information Act and thus is required to release information in accordance with the Public Information Act. Applicant may be required to provide information in connection with its application or ongoing monitoring requirements that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which abatement is being sought. Section 312.003 of the Tax Code provides for the confidentiality of such information provided to

a taxing unit in connection with an application or request for tax abatement until the tax abatement agreement is executed. Applicant acknowledges that Section 312.003 affords confidentiality for such information only until the tax abatement agreement is executed. Applicant further agrees to and shall clearly and conspicuously mark any information that it considers to be proprietary, trade secret, or otherwise confidential in its application or other information furnished to the County to facilitate the procedures for notice to third party under the Public Information Act, which are contained at Section 552.305 of the Government Code.

(b) Immigration Compliance/Use of E-Verify Required.

1. **Compliance with U.S. Immigration Reform and Control Act of 1986.** To the best of Applicant's knowledge, having undertaken reasonable diligence, none of the Applicant's personnel is an unauthorized alien and Applicant at all times shall comply with the U.S. Immigration Reform and Control Act of 1986, as amended. Applicant further agrees that it shall not subcontract services to any subcontractor who utilizes persons not eligible for employment within the United States.
2. **Use of E-Verify required.** The United States Department of Homeland Security's Employment Eligibility Program is known as E-Verify. The E-Verify Program is used to electronically confirm an employee's eligibility to work in the United States; however it is not a substitute for complying with I-9 requirements. To be eligible for abatement, an Applicant shall comply with I-9 requirements and shall utilize E-Verify to confirm the eligibility of its employees to work in the United States.

- (c) Abatement on properties within a TIFA reinvestment zone.** In the event of real property located within a reinvestment zone established under the Tax Increment Financing Act (TIFA) (codified at Chapter 311 of the Tax Code), the County may enter into an Agreement with an owner of real property in the TIFA reinvestment zone regardless of whether the County deposits or agrees to deposit tax increment into the tax increment fund. However, to be effective, the agreement to abate taxes on real property in a TIFA reinvestment zone must also be approved by the board of directors of the respective TIFA reinvestment zone and the governing body of each taxing unit that imposes taxes on real property in the TIFA reinvestment zone and deposits or agrees to deposit any of its tax increment into the tax increment fund for the TIFA reinvestment zone. If the County participates in the TIFA reinvestment zone and enters into an abatement agreement with an owner of real property in the TIFA reinvestment zone, then the taxes that are abated under the abatement agreement are not considered taxes to be imposed or produced by the County in calculating the amount of the tax increment of the County of the County's deposit to the tax increment fund for the TIFA reinvestment zone.

Section 12

SEVERABILITY AND LIMITATION

- (a) In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.
- (b) The County Commissioners Court of Matagorda County, Texas shall take no action which imposes an economic or financial hardship upon any other taxing unit in Matagorda County.

Further, the County Commissioners Court of Matagorda County, Texas shall not designate a Reinvestment and/or Enterprise Zone or enter into an abatement agreement which imposes penalty provisions, as provided in Section 312.206 and Section 312.402 of the Tax Code, upon any other taxing unit in Matagorda County for failing to enter into an abatement agreement.

Section 13
SUNSET PROVISION

- (a) The "Guidelines and Criteria" are effective upon the date of their adoption and will remain in force for two (2) years, at which time all Reinvestment and/or Enterprise Zones and tax abatement contracts created pursuant to its provisions will be reviewed by the Matagorda County Commissioners Court to determine whether the goals of the abatement program have been achieved. Based upon that review, the "Guidelines and Criteria" may be modified, renewed or eliminated.
- (b) Prior to the date for review, as defined above, the "Guidelines and Criteria" may be modified only by a vote of three-fourths of the members of County Commissioners Court, as specified in Sec.312.002(c) of the Texas Property Redevelopment and Tax Abatement Act.

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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
hereRichard C. Johnson
Print Name (Authorized School District Representative)Chief Financial Officer
Titlesign
hereRichard C. Johnson
Signature (Authorized School District Representative)5/5/2020
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
hereJack Chenault
Print Name (Authorized Company Representative (Applicant))President
Titlesign
hereJack Chenault
Signature (Authorized Company Representative (Applicant))4/29/2020
Date

GIVEN under my hand and seal of office this, the

29th day of April, 2020

HELEN LEBBA
NOTARY PUBLIC OF NEW JERSEY
Notary Public in and for the State of Texas
Comm. # 50038134
My Commission Expires 5/11/2021

(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.

Date23-Mar-20Applicant NameRoehm America LLCISD NameBay City ISD

Form 50-296ARevised February 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2020	Not eligible to become Qualified Property		\$	[The only other investment made before filing complete application with district that may become Qualified Property is land.]	\$ -
Investment made after filing complete application with district, but before final board approval of application				\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	QTP1	2021-22	2021	\$ 50,000,000	\$ 100,000,000	\$ -	\$ -	\$ 150,000,000
	QTP2	2022-23	2022	\$ 50,000,000	\$ 150,000,000	\$ -	\$ -	\$ 200,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]								
				\$ 100,000,000	\$ 250,000,000	\$ -	\$ -	\$ 350,000,000
Total Qualified Investment (sum of green cells)				Enter amounts from TOTAL row above in Schedule A2				
				\$ 350,000,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Date 23-Mar-20
Applicant Name Roehm America LLC
ISD Name Bay City ISD

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				\$ 100,000,000	\$ 250,000,000	\$ -	\$ -	\$ 350,000,000
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2023-2024	2023		\$150,000,000			\$ 150,000,000
Value limitation period***	1	2024-2025	2024					
	2	2025-2026	2025					
	3	2026-2027	2026					
	4	2027-2028	2027					
	5	2028-2029	2028					
	6	2029-2030	2029					
	7	2030-2031	2030					
	8	2031-2032	2031					
	9	2032-2033	2032					
	10	2033-2034	2033					
Total Investment made through limitation				\$ 100,000,000	\$ 400,000,000	\$ -	\$ -	\$ 500,000,000
Continue to maintain viable presence	11							
	12							
	13							
	14							
	15							
Additional years for 25 year economic impact as required by 313.026(c)(1)	16							
	17							
	18							
	19							
	20							
	21							
	22							
	23							
	24							
	25							

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 23-Mar-20
 Applicant Name Roehm America LLC
 ISD Name Bay City ISD

Form 50-296A
 Revised February 2020

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2022-2023	2022		\$ 100,000,000	\$ 50,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000
	0	2023-2024	2023	\$ -	\$ 250,000,000	\$ 100,000,000	\$ 350,000,000	\$ 350,000,000	\$ 350,000,000
Value Limitation Period	1	2024-2025	2024	\$ -	\$ 400,000,000	\$ 100,000,000	\$ 477,300,000	\$ 477,000,000	\$ 30,000,000
	2	2025-2026	2025	\$ -	\$ 387,200,000	\$ 96,800,000	\$ 462,035,480	\$ 462,035,480	\$ 30,000,000
	3	2026-2027	2026	\$ -	\$ 374,400,000	\$ 93,600,000	\$ 446,770,960	\$ 446,770,960	\$ 30,000,000
	4	2027-2028	2027	\$ -	\$ 361,600,000	\$ 90,400,000	\$ 431,506,440	\$ 431,506,440	\$ 30,000,000
	5	2028-2029	2028	\$ -	\$ 348,800,000	\$ 87,200,000	\$ 416,241,920	\$ 416,241,920	\$ 30,000,000
	6	2029-2030	2029	\$ -	\$ 336,000,000	\$ 84,000,000	\$ 400,977,400	\$ 400,977,400	\$ 30,000,000
	7	2030-2031	2030	\$ -	\$ 323,200,000	\$ 80,800,000	\$ 385,712,880	\$ 385,712,880	\$ 30,000,000
	8	2031-2032	2031	\$ -	\$ 310,400,000	\$ 77,600,000	\$ 370,448,360	\$ 370,448,360	\$ 30,000,000
	9	2032-2033	2032	\$ -	\$ 297,600,000	\$ 74,400,000	\$ 355,183,840	\$ 355,183,840	\$ 30,000,000
	10	2033-2034	2033	\$ -	\$ 284,800,000	\$ 71,200,000	\$ 339,919,320	\$ 339,919,320	\$ 30,000,000
Continue to maintain viable presence	11	2034-2035	2034	\$ -	\$ 272,000,000	\$ 68,000,000	\$ 324,654,800	\$ 324,654,800	\$ 324,654,800
	12	2035-2036	2035	\$ -	\$ 259,200,000	\$ 64,800,000	\$ 309,390,280	\$ 309,390,280	\$ 309,390,280
	13	2036-2037	2036	\$ -	\$ 246,400,000	\$ 61,600,000	\$ 294,125,760	\$ 294,125,760	\$ 294,125,760
	14	2037-2038	2037	\$ -	\$ 233,600,000	\$ 58,400,000	\$ 278,861,240	\$ 278,861,240	\$ 278,861,240
	15	2038-2039	2038	\$ -	\$ 220,800,000	\$ 55,200,000	\$ 263,596,720	\$ 263,596,720	\$ 263,596,720
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2039-2040	2039	\$ -	\$ 208,000,000	\$ 52,000,000	\$ 248,332,200	\$ 248,332,200	\$ 248,332,200
	17	2040-2041	2040	\$ -	\$ 195,200,000	\$ 48,800,000	\$ 233,067,680	\$ 233,067,680	\$ 233,067,680
	18	2041-2042	2041	\$ -	\$ 182,400,000	\$ 45,600,000	\$ 217,803,160	\$ 217,803,160	\$ 217,803,160
	19	2042-2043	2042	\$ -	\$ 169,600,000	\$ 42,400,000	\$ 202,538,640	\$ 202,538,640	\$ 202,538,640
	20	2043-2044	2043	\$ -	\$ 156,800,000	\$ 39,200,000	\$ 187,274,120	\$ 187,274,120	\$ 187,274,120
	21	2044-2045	2044	\$ -	\$ 144,000,000	\$ 36,000,000	\$ 172,009,600	\$ 172,009,600	\$ 172,009,600
	22	2045-2046	2045	\$ -	\$ 131,200,000	\$ 32,800,000	\$ 156,745,080	\$ 156,745,080	\$ 156,745,080
	23	2046-2047	2046	\$ -	\$ 118,400,000	\$ 29,600,000	\$ 141,480,560	\$ 141,480,560	\$ 141,480,560
	24	2047-2048	2047	\$ -	\$ 105,600,000	\$ 26,400,000	\$ 126,216,040	\$ 126,216,040	\$ 126,216,040
	25	2048-2049	2048	\$ -	\$ 92,800,000	\$ 23,200,000	\$ 110,951,520	\$ 110,951,520	\$ 110,951,520

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
 Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 23-Mar-20
Applicant Name Roehm America LLC
ISD Name Bay City ISD

Form 50-296A

Revised February 2020

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's	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)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020					
	0	2021-2022	2021	100	\$76,000			
	0	2022-2023	2022	1000 (peak)	\$76,000			
	0	2023-2024	2023	100	\$76,000			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2024-2025	2024			60	10	\$68,120
	2	2025-2026	2025			60	10	\$68,120
	3	2026-2027	2026			60	10	\$68,120
	4	2027-2028	2027			60	10	\$68,120
	5	2028-2029	2028			60	10	\$68,120
	6	2029-2030	2029			60	10	\$68,120
	7	2030-2031	2030			60	10	\$68,120
	8	2031-2032	2031			60	10	\$68,120
	9	2032-2033	2032			60	10	\$68,120
	10	2033-2034	2033			60	10	\$68,120
Years Following Value Limitation Period	11 through 25	2034 - 2049	2034 - 2048			70	0	n/a

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

EXHIBIT C

Comptroller's "Completeness" Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 27, 2020

Dr. Marshall Scott
Superintendent
Bay City Independent School District
P.O. Box 2510
Bay City, Texas 77414

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Bay City Independent School District and Roehm America LLC, Application 1483

Dear Superintendent Scott:

On March 26, 2020, the Comptroller's office received Roehm America LLC's (applicant) application for a limitation on appraised value (Application 1483) from Bay City Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on May 27, 2020.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-8597 or at 512-936-8597.

Sincerely,

DocuSigned by:

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will counihan

Director
Data Analysis & Transparency Division

cc: Oscar Trevino, Walsh Gallegos Trevino Russo & Kyle, P.C.
Jack Chenault, Roehm America LLC
Helio Takahashi, Roehm America LLC
Renn Neilson, Baker Botts LLP

EXHIBIT D

Independent Economic Impact Report

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED
ROEHM AMERICA LLC PROJECT IN THE
BAY CITY INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1483)**

PREPARED BY



JUNE 17, 2020

Executive Summary

Roehm America LLC (Company) has requested that the Bay City Independent School District (BCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BCISD on March 23, 2020 the Company plans to invest \$477 million to construct a chemical manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Roehm America project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others, although few of these other types of projects have been the basis for Chapter 313 applications.

Under the provisions of Chapter 313, BCISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2024-25 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, the most significant school finance revisions in more than 30 years. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to BCISD	\$5.6 million
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Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$33.8 million
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Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on May 27, 2020.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of

the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement, although extensions may be requested by the Company and granted by the District.

After the Comptroller's certificate is received, Walsh Gallegos will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, Walsh Gallegos will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law.

How the 313 Agreement Interacts with Texas School Finance

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at \$6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to \$98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate \$49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3, for those districts subject to recapture under the new law. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.) The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. It does not appear to be an issue for BCISD, based on the calculations shown below.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as

determined annually under the Comptroller's State Property Value Study (Section 403 of the Government Code). The change in House Bill 3 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be based on current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

- d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. **A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year [emphasis added].**

Given the directive with regard to the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.256(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the 10 limitation years under the terms of the Agreement. Chapter 313 will be subject to legislative renewal in 2021 and any changes made may impact these calculations moving forward.

For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. [The current information is expected to be updated as the details of House Bill 3 implementation are determined by TEA.](#)

The implementation of recent legislative action on school funding in House Bill 3 could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment is now set to \$6,160, the Tier II golden penny yield is set to \$98.56 per WADA for up to eight cents, while the copper penny yield is \$49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously approved Chapter 313 projects are also factored into the M&O tax bases used.

ADA:	3,327
Local M&O Tax Base	\$1.3762 billion
2019-20 M&O Tax Rate:	\$1.0537 per \$100 of Taxable Value
2020-21 Projected M&O Tax Rate:	\$1.0402 per \$100 of Taxable Value
I&S Tax Rate:	\$0.4837 per \$100 of Taxable Value

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 – Base District Information with Roehm America Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
QTP	1								
TP1	1							11	11
TP								1	1
VL1								1	1
VL2									
VL3									
VL4								11	
VL5									
VL6									1 1 1
VL7	1								1
VL8	1								
VL9									1
VL10								1	1
P1									
P									
P									
P									
P									

*Basic Allotment: \$6,160; Golden Penny Yield: \$98.56; Copper Penny Yield: \$49.28

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

M&O Impact of the Roehm America Project on BCISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$5.6 million over the course of the Agreement, with all the loss reflected in the first limitation year (2024-25).

Table 2- “Baseline Revenue Model” --Project Value Added to DPV with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP	2024-25	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
QTP1	2025-26	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
QTP	2026-27	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
	2027-28	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL1	2028-29	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL2	2029-30	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL3	2030-31	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL4	2031-32	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL5	2032-33	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL6	2033-34	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL7	2034-35	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL8	2035-36	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL9	2036-37	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VL10	2037-38	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VP	2038-39	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VP	2039-40	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VP	2040-41	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VP	2041-42	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000
VP	2042-43	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$39.4 million over the life of the agreement. The BCISD revenue losses are expected to total approximately \$5.6 million. The potential net tax benefits (after hold-harmless payments are made) are estimated to total \$33.8 million, prior to any negotiations with Roehm America on supplemental payments.

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2024-25 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. With a legislative session occurring in 2021, there could be changes made to current school finance law. While the District will still be protected against revenue losses, these calculations may be reduced below what we are projecting under what is now current law.

Table 3- "Value Limitation Revenue Model" --Project Value Added to DPV with Value Limitation in Effect

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP	1								
TP1	1								
QTP									
VL1									
VL2									
VL3									
VL4									
VL5									
VL6									
VL7	1								
VL8	1								
VL9									
VL10									
P1									
P									
P									
P									
P									

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 4 - Value Limitation Revenue Model Less Baseline Revenue Model with No Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP	1								
TP1	1								
QTP									
VL1									
VL2									
VL3									
VL4									
VL5									
VL6									
VL7	1								
VL8	1								
VL9									
VL10									
P1									
P									
P									
P									
P									

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 5 - Estimated Financial Impact of the Roehm America Project Property Value Limitation Request Submitted to BCISD at \$1.04015 per \$100 M&O Tax Rate

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O with Limitation	Assumed M&O Tax Rate	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
QTP	2020-21	\$0	\$0	\$1.04015	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$1.04015	\$0	\$0	\$0
QTP	2022-23	\$1,000,000	\$1,000,000	\$1.04015	\$0	\$0	\$0
	2023-24	\$1,000,000	\$1,000,000	\$1.04015	\$0	\$0	\$0
VL1	2024-25	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL2	2025-26	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL3	2026-27	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL4	2027-28	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL5	2028-29	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL6	2029-30	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL7	2030-31	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL8	2031-32	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL9	2032-33	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VL10	2033-34	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VP1	2034-35	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VP	2035-36	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VP	2036-37	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VP	2037-38	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
VP	2038-39	\$1,000,000	\$1,000,000	\$1.04015	\$1,040.15	\$1,040.15	\$0
					\$39,377,991	-\$5,589,270	\$33,788,721

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations, which could be significant under HB 3.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with BCISD currently levying a \$0.4837 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could see a substantial benefit from the addition of the Roehm America project to the local I&S tax roll, since BCISD is ineligible to receive state support from the state's facilities programs (EDA and IFA).

The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 6 - Estimated Impact of the Roehm America Project Property Value Limitation Request on BCISD I&S Tax Rate

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
TP	2020-21	0.000000	\$1,000,000.00	\$1,000.00	\$0	0.000000	0.000000
TP1	2021-22	0.000000	\$1,000,000.00	\$1,000.00	\$0	0.000000	0.000000
TP	2022-23	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
	2023-24	0.000000	\$1,000,000.00	\$1,000.00	\$0	0.000000	0.000000
VL1	2024-25	0.000000	\$1,000,000.00	\$1,000.00	\$0	0.000000	0.000000
VL2	2025-26	0.000000	\$1,000,000.00	\$1,000.00	\$0	0.000000	0.000000
VL3	2026-27	0.000000	\$1,000,000.00	\$1,000.00	\$0	0.000000	0.000000
VL4	2027-28	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
VL5	2028-29	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
VL6	2029-30	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
VL7	2030-31	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
VL8	2031-32	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
VL9	2032-33	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
VL10	2033-34	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
P1	2034-35	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
P	2035-36	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
P	2036-37	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
P	2037-38	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000
P	2038-39	0.000000	\$1,000,000.00	\$1,000.00	\$1,000,000.00	0.000000	0.000000

IFA and EDA state aid are now based on current-year values, which could affect the tax rate needed for bond payments in districts eligible for these funds.

EXHIBIT E

Comptroller's Certification and Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 19, 2020

Dr. Marshall Scott
Superintendent
Bay City Independent School District
P.O. Box 2510
Bay City, Texas 77414

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Bay City Independent School
District and Roehm America LLC, Application 1483

Dear Superintendent Scott:

On May 27, 2020, the Comptroller issued written notice that Roehm America LLC (applicant) submitted a completed application (Application 1483) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on March 23, 2020, to the Bay City Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application 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)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1483.

Based on the information provided by the applicant, 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 C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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 has 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, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).


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 agreement by December 31, 2020.

Note that any building or improvement existing as of the application review start date of May 27, 2020, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Roehm America LLC (project) applying to Bay City 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 Roehm America LLC.

Applicant	Roehm America LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Bay City ISD
2018-2019 Average Daily Attendance	3,298
County	Matagorda
Proposed Total Investment in District	\$500,000,000
Proposed Qualified Investment	\$350,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,310
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,310
Minimum annual wage committed to by applicant for qualified jobs	\$68,120
Minimum weekly wage required for non-qualifying jobs	\$1,087
Minimum annual wage required for non-qualifying jobs	\$56,524
Investment per Qualifying Job	\$50,000,000
Estimated M&O levy without any limit (15 years)	\$63,810,498
Estimated M&O levy with Limitation (15 years)	\$23,923,345
Estimated gross M&O tax benefit (15 years)	\$39,887,153

Table 2 is the estimated statewide economic impact of Roehm America LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	100	162	262	\$7,600,000	\$16,400,000	\$24,000,000
2022	1000	1,386	2386	\$76,000,000	\$132,000,000	\$208,000,000
2023	100	233	333	\$7,600,000	\$36,400,000	\$44,000,000
2024	70	292	362	\$4,072,670	\$37,927,330	\$42,000,000
2025	70	238	308	\$4,072,670	\$33,927,330	\$38,000,000
2026	70	217	287	\$4,072,670	\$31,927,330	\$36,000,000
2027	70	212	282	\$4,072,670	\$30,927,330	\$35,000,000
2028	70	219	289	\$4,072,670	\$31,927,330	\$36,000,000
2029	70	231	301	\$4,072,670	\$33,927,330	\$38,000,000
2030	70	245	315	\$4,072,670	\$36,927,330	\$41,000,000
2031	70	259	329	\$4,072,670	\$39,927,330	\$44,000,000
2032	70	271	341	\$4,072,670	\$42,927,330	\$47,000,000
2033	70	282	352	\$4,072,670	\$45,927,330	\$50,000,000
2034	70	284	354	\$4,072,670	\$47,927,330	\$52,000,000
2035	70	288	358	\$4,072,670	\$50,927,330	\$55,000,000

Source: CPA REMI, Roehm America LLC

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		Bay City ISD I&S Tax Levy	Bay City ISD M&O Tax Levy	Bay City M&O and I&S Tax Levies	Matagorda County Tax Levy	Matagorda County Hospital District Tax Levy	Drainage District #1 Tax Levy	Port of Bay City Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4837	1.0536		0.4334	0.3216	0.0417	0.0548	
2022	\$150,000,000	\$150,000,000		\$725,490	\$1,580,400	\$2,305,890	\$650,130	\$482,385	\$62,535	\$82,155	\$3,583,095
2023	\$350,000,000	\$350,000,000		\$1,692,810	\$3,687,600	\$5,380,410	\$1,516,970	\$1,125,565	\$145,915	\$191,695	\$8,360,555
2024	\$477,000,000	\$477,000,000		\$2,307,058	\$5,025,672	\$7,332,730	\$2,067,413	\$1,533,984	\$198,861	\$261,253	\$11,394,242
2025	\$462,035,480	\$462,035,480		\$2,234,681	\$4,868,006	\$7,102,687	\$2,002,554	\$1,485,860	\$192,623	\$253,057	\$11,036,780
2026	\$446,770,960	\$446,770,960		\$2,160,852	\$4,707,179	\$6,868,031	\$1,936,395	\$1,436,771	\$186,259	\$244,696	\$10,672,152
2027	\$431,506,440	\$431,506,440		\$2,087,024	\$4,546,352	\$6,633,376	\$1,870,235	\$1,387,682	\$179,895	\$236,336	\$10,307,524
2028	\$416,241,920	\$416,241,920		\$2,013,196	\$4,385,525	\$6,398,721	\$1,804,076	\$1,338,592	\$173,531	\$227,976	\$9,942,896
2029	\$400,977,400	\$400,977,400		\$1,939,367	\$4,224,698	\$6,164,065	\$1,737,916	\$1,289,503	\$167,167	\$219,615	\$9,578,267
2030	\$385,712,880	\$385,712,880		\$1,865,539	\$4,063,871	\$5,929,410	\$1,671,757	\$1,240,414	\$160,804	\$211,255	\$9,213,639
2031	\$370,448,360	\$370,448,360		\$1,791,711	\$3,903,044	\$5,694,754	\$1,605,597	\$1,191,325	\$154,440	\$202,895	\$8,849,011
2032	\$355,183,840	\$355,183,840		\$1,717,882	\$3,742,217	\$5,460,099	\$1,539,438	\$1,142,236	\$148,076	\$194,534	\$8,484,383
2033	\$339,919,320	\$339,919,320		\$1,644,054	\$3,581,390	\$5,225,444	\$1,473,278	\$1,093,147	\$141,712	\$186,174	\$8,119,755
2034	\$324,654,800	\$324,654,800		\$1,570,225	\$3,420,563	\$4,990,788	\$1,407,119	\$1,044,057	\$135,349	\$177,813	\$7,755,127
2035	\$309,390,280	\$309,390,280		\$1,496,397	\$3,259,736	\$4,756,133	\$1,340,959	\$994,968	\$128,985	\$169,453	\$7,390,498
2036	\$294,125,760	\$294,125,760		\$1,422,569	\$3,098,909	\$4,521,478	\$1,274,800	\$945,879	\$122,621	\$161,093	\$7,025,870
2037	\$278,861,240	\$278,861,240		\$1,348,740	\$2,938,082	\$4,286,822	\$1,208,640	\$896,790	\$116,257	\$152,732	\$6,661,242
2038	\$263,596,720	\$263,596,720		\$1,274,912	\$2,777,255	\$4,052,167	\$1,142,481	\$847,701	\$109,893	\$144,372	\$6,296,614
			Total	\$29,292,507	\$63,810,498	\$93,103,005	\$26,249,759	\$19,476,858	\$2,524,924	\$3,317,104	\$144,671,650

Source: CPA, Roehm America LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, 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		Bay City ISD I&S Tax Levy	Bay City ISD M&O Tax Levy	Bay City M&O and I&S Tax Levies	Matagorda County Tax Levy	Matagorda County Hospital District Tax Levy	Drainage District #1 Tax Levy	Port of Bay City Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4837	1.0536		0.4334	0.3216	0.0417	0.0548	
2022	\$150,000,000	\$150,000,000		\$725,490	\$1,580,400	\$2,305,890	\$650,130	\$482,385	\$62,535	\$82,155	\$3,438,405
2023	\$350,000,000	\$350,000,000		\$1,692,810	\$3,687,600	\$5,380,410	\$1,516,970	\$1,125,565	\$145,915	\$191,695	\$8,022,945
2024	\$477,000,000	\$30,000,000		\$2,307,058	\$316,080	\$2,623,138	\$2,067,413	\$1,533,984	\$198,861	\$261,253	\$6,224,536
2025	\$462,035,480	\$30,000,000		\$2,234,681	\$316,080	\$2,550,761	\$2,002,554	\$1,485,860	\$192,623	\$253,057	\$6,039,175
2026	\$446,770,960	\$30,000,000		\$2,160,852	\$316,080	\$2,476,932	\$1,936,395	\$1,436,771	\$186,259	\$244,696	\$5,850,098
2027	\$431,506,440	\$30,000,000		\$2,087,024	\$316,080	\$2,403,104	\$1,870,235	\$1,387,682	\$179,895	\$236,336	\$5,661,021
2028	\$416,241,920	\$30,000,000		\$2,013,196	\$316,080	\$2,329,276	\$1,804,076	\$1,338,592	\$173,531	\$227,976	\$5,471,944
2029	\$400,977,400	\$30,000,000		\$1,939,367	\$316,080	\$2,255,447	\$1,737,916	\$1,289,503	\$167,167	\$219,615	\$5,282,867
2030	\$385,712,880	\$30,000,000		\$1,865,539	\$316,080	\$2,181,619	\$1,671,757	\$1,240,414	\$160,804	\$211,255	\$5,093,790
2031	\$370,448,360	\$30,000,000		\$1,791,711	\$316,080	\$2,107,791	\$1,605,597	\$1,191,325	\$154,440	\$202,895	\$4,904,713
2032	\$355,183,840	\$30,000,000		\$1,717,882	\$316,080	\$2,033,962	\$1,539,438	\$1,142,236	\$148,076	\$194,534	\$4,715,636
2033	\$339,919,320	\$30,000,000		\$1,644,054	\$316,080	\$1,960,134	\$1,473,278	\$1,093,147	\$141,712	\$186,174	\$4,526,559
2034	\$324,654,800	\$324,654,800		\$1,570,225	\$3,420,563	\$4,990,788	\$1,407,119	\$1,044,057	\$135,349	\$177,813	\$7,441,965
2035	\$309,390,280	\$309,390,280		\$1,496,397	\$3,259,736	\$4,756,133	\$1,340,959	\$994,968	\$128,985	\$169,453	\$7,092,061
2036	\$294,125,760	\$294,125,760		\$1,422,569	\$3,098,909	\$4,521,478	\$1,274,800	\$945,879	\$122,621	\$161,093	\$6,742,157
2037	\$278,861,240	\$278,861,240		\$1,348,740	\$2,938,082	\$4,286,822	\$1,208,640	\$896,790	\$116,257	\$152,732	\$6,392,253
2038	\$263,596,720	\$263,596,720		\$1,274,912	\$2,777,255	\$4,052,167	\$1,142,481	\$847,701	\$109,893	\$144,372	\$6,042,349
			Total	\$29,292,507	\$23,923,345	\$53,215,852	\$26,249,759	\$19,476,858	\$2,524,924	\$3,317,104	\$98,942,470
			Diff	\$0	\$39,887,153	\$39,887,153	\$0	\$0	\$0	\$0	\$45,729,181

Source: CPA, Roehm America LLC
*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 Roehm America LLC (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	\$0	\$0	\$0	\$0
	2022	\$1,580,400	\$1,580,400	\$0	\$0
	2023	\$3,687,600	\$5,268,000	\$0	\$0
Limitation Period (10 Years)	2024	\$316,080	\$5,584,080	\$4,709,592	\$4,709,592
	2025	\$316,080	\$5,900,160	\$4,551,926	\$9,261,518
	2026	\$316,080	\$6,216,240	\$4,391,099	\$13,652,617
	2027	\$316,080	\$6,532,320	\$4,230,272	\$17,882,889
	2028	\$316,080	\$6,848,400	\$4,069,445	\$21,952,333
	2029	\$316,080	\$7,164,480	\$3,908,618	\$25,860,951
	2030	\$316,080	\$7,480,560	\$3,747,791	\$29,608,742
	2031	\$316,080	\$7,796,640	\$3,586,964	\$33,195,706
	2032	\$316,080	\$8,112,720	\$3,426,137	\$36,621,843
	2033	\$316,080	\$8,428,800	\$3,265,310	\$39,887,153
Maintain Viable Presence (5 Years)	2034	\$3,420,563	\$11,849,363	\$0	\$39,887,153
	2035	\$3,259,736	\$15,109,099	\$0	\$39,887,153
	2036	\$3,098,909	\$18,208,008	\$0	\$39,887,153
	2037	\$2,938,082	\$21,146,090	\$0	\$39,887,153
	2038	\$2,777,255	\$23,923,345	\$0	\$39,887,153
Additional Years as Required by 313.026(c)(1) (10 Years)	2039	\$2,616,428	\$26,539,773	\$0	\$39,887,153
	2040	\$2,455,601	\$28,995,374	\$0	\$39,887,153
	2041	\$2,294,774	\$31,290,148	\$0	\$39,887,153
	2042	\$2,133,947	\$33,424,095	\$0	\$39,887,153
	2043	\$1,973,120	\$35,397,216	\$0	\$39,887,153
	2044	\$1,812,293	\$37,209,509	\$0	\$39,887,153
	2045	\$1,651,466	\$38,860,975	\$0	\$39,887,153
	2046	\$1,490,639	\$40,351,614	\$0	\$39,887,153
	2047	\$1,329,812	\$41,681,426	\$0	\$39,887,153
	2048	\$1,168,985	\$42,850,411	\$0	\$39,887,153
		\$42,850,411	is greater than	\$39,887,153	
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, Roehm America LLC

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 C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines 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.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Roehm America LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Roehm America LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Applicant is an indirect wholly-owned subsidiary of Roehm GmbH, a leading supplier of methacrylate chemicals worldwide—with 15 production sites on four continents. Roehm’s global presence provides it with significant flexibility for where it can expend capital investments for new long-term expansions.”
 - B. “The property tax burden is a critical factor in Applicant’s site selection, and Bay City ISD’s maintenance and operations tax rate constitutes approximately 44% of the total property tax burden at the proposed facility location. Alternative locations offer competitive economic development incentives, including robust property tax abatement programs.”
 - C. For example, Applicant is considering alternate sites in Louisiana. Applicant and Louisiana Economic Development have discussed robust property tax and jobs incentives to attract the Project, and Applicant is in the process of obtaining commitments from Louisiana.”
- A February 4, 2020 *ICIS* article states the following:
 - A. “Roehm is considering the construction of a plant for the production of methyl methacrylate (MMA) on the Gulf of Mexico in the United States with a capacity of 250,000 tonnes/year”
 - B. “The plant is expected to use Roehm’s proprietary Lima ethylene technology. The plant will be launched in 2023 or 2024.”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement August 2020
 2. Estimated commencement of construction Q4 2021
 3. Beginning of qualifying time period (MM/DD/YYYY) 08/01/2020
 4. First year of limitation (MM/DD/YYYY) 01/01/2024
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP
- ☒ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations Q4 2023

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Matagorda County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Matagorda CAD
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:

M&O (ISD): <u>Bay City ISD, 1.0536%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Bay City ISD, 0.48366%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Matagorda, 0.433420%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>n/a</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Matagorda Co Hosp. Dist., 0.32159%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Drainage District #1, 0.041690%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Port of Bay City, 0.054770%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): _____ <small>(Name, tax rate and percent of project)</small>

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

Tab 5

Documentation to assist in determining if limitation is a determining factor

Applicant is an indirect wholly-owned subsidiary of Roehm GmbH, a leading supplier of methacrylate chemicals worldwide—with 15 production sites on four continents. Roehm's global presence provides it with significant flexibility for where it can expend capital investments for new long-term expansions.

The property tax burden is a critical factor in Applicant's site selection, and Bay City ISD's maintenance and operations tax rate constitutes approximately 44% of the total property tax burden at the proposed facility location. Alternative locations offer competitive economic development incentives, including robust property tax abatement programs.

For example, Applicant is considering alternate sites in Louisiana. Applicant and Louisiana Economic Development have discussed robust property tax and jobs incentives to attract the Project, and Applicant is in the process of obtaining commitments from Louisiana.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

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 Moscow +7495 543 9194
 Kiev +38044 599 2950
 info@mrplast.com



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Roehm plans to build MMA production in the USA

February 04/2020

MOSCOW (MRC) - Roehm is considering the construction of a plant for the production of methyl methacrylate (MMA) on the Gulf of Mexico in the United States with a capacity of 250,000 tonnes/year, the company said.

The plant is expected to use Roehm's proprietary Lima ethylene technology. The plant will be launched in 2023 or 2024.

The new plant could potentially replace the existing Fortier plant, located west of New Orleans. These investments will allow the manufacturer to capitalize on the significant advantages of lower ethylene prices.

This is the second investment in the US MMA market in recent years. So, Lucite International, a subsidiary of Mitsubishi Chemical (MCC), plans to build in the United States a production capacity of 350 thousand tons of MMA per year with an expected launch date in 2023.

If these two plants are built, the total output may change the global trade flows of MMA, as they will make the United States a net exporter, and Asia will become the target destination.

Following the sale of Advent's Evonik methacrylate business earlier this year and the creation of Roehm as an independent company, the MMA market was awaiting investment announcements.

MMA is used to produce homopolymers and copolymers, the most widely used are casting, molding or extrusion of polymethyl methacrylate (PMMA) or modified polymers.

Acrylonitrile is one of the main raw materials for the production of acrylonitrile butadiene styrene (ABS).

According to the ICIS-MRC Price Report, in November, ABS imports to Russia amounted to 3,300 tonnes against 3,500 tonnes a month earlier and 4,100 tonnes in November last year. Following the results of eleven months, ABS import into the country slightly decreased compared to the same period last year and amounted to 31,300 tonnes.

mrplast.com

Author: Anna Larionova

Tags: acryl, akrilonitril-stirol-akrilat (ASA), akrilonitril.

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EXHIBIT F

Comptroller's Approval of Agreement



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 4, 2020

Dr. Marshall Scott
Superintendent
Bay City Independent School District
P.O. Box 2510
Bay City, Texas 77414

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Bay City Independent School District and Roehm America LLC, Application 1483


Dear Superintendent Scott:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Bay City Independent School District and Roehm America LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

DocuSigned by:

45D47260A6AB46C...
Will Counihan
Director
Data Analysis & Transparency Division

cc: Oscar Trevino, Walsh Gallegos Trevino Russo & Kyle, P.C.
Jack Chenault, Roehm America LLC
Helio Takahashi, Roehm America LLC
Renn Neilson, Baker Botts LLP

EXHIBIT G

Applicant's Taxable Entity Status



Franchise Tax Account Status

As of : 09/04/2020 13:27:57

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

ROEHM AMERICA LLC	
Texas Taxpayer Number	13202524693
Mailing Address	299 JEFFERSON RD PARSIPPANY, NJ 07054-2827
❗ Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	Not Registered
Texas SOS File Number	Not Registered
Registered Agent Name	Not on file
Registered Office Street Address	