

# UNDERWOOD

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December 9, 2020

John Villarreal  
Stephanie Jones  
Chapter 313 Team  
Data Analysis and Transparency Division  
Texas Comptroller of Public Accounts  
P.O. Box 13528 Capitol Station  
Austin TX 78711-3528

*Via Email*

Re: 313 Application from Stepan Company to La Porte ISD

Dear John and Stephanie:

Enclosed please find an application for appraised value limitation on qualified property submitted to La Porte ISD by Stepan Company on December 8, 2020, along with the schedules in Excel format.

The La Porte ISD Board accepted for consideration the application on December 8, 2020. The application was determined to be complete by the District on December 9, 2020. We ask that the Comptroller's Office prepare the economic impact report for this application.

A copy of the application will also be submitted to the Harris County Appraisal District in accordance with 34 Tex. Admin. Code §9.1054. Please feel free to contact me if you have any questions or concerns.

Sincerely,



Fred A. Stormer

Encl.

cc: Chief Appraiser, Harris County Appraisal District

*via email: help@hcad.org  
and sshell@hcad.org*

David Kabbes, VP, General Counsel and Secretary

*via email: dkabbes@stepan.com*

Sue Greenfield, Tax Manager

*via email: sgreenfield@stepan.com*

Elain Mesher, Industrial Valuation Services

*via email: emesher@indval.com*

Dr. Walter Jackson, Superintendent, La Porte ISD

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UNDERWOOD LAW FIRM, P.C.

AMARILLO

AUSTIN

FORT WORTH

LUBBOCK

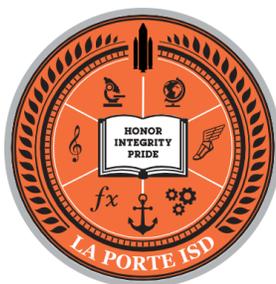
PAMPA



## **Alkoxylation Project**

**Application for Appraised Value  
Limitation on Qualified Property**

**Pursuant to Tax Code,  
Chapter 313, Subchapter B**



**LA PORTE**

INDEPENDENT SCHOOL DISTRICT

## APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

ATTACHMENT	
1	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 <i>(if applicable)</i>
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 <i>(if applicable)</i>
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 <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> <li>a) Project boundary and project vicinity, including county and school district boundaries</li> <li>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</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Any existing property within the project area</li> <li>e) Any facilities owned or operated by the applicant having interconnections to the proposed project</li> <li>f) Location of project, and related nearby projects within vicinity map</li> <li>g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> Maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
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 <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> <li>a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone</li> <li>c) order, resolution or ordinance establishing the reinvestment zone</li> <li>d) guidelines and criteria for creating the zone</li> </ul>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

# **Tab 1**

## **Application Form, Sections 1-15**

# 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 Texas 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 completed application to the Comptroller, separating each section of the documents. 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’s 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 and issue a certificate for a limitation on appraised value to the school board regarding the application 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 by the Comptroller), 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/](http://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**

December 8, 2020

Date Application Received by District

Walter

First Name

Jackson

Last Name

Superintendent

Title

La Porte Independent School District

School District Name

1002 San Jacinto Street

Street Address

N/A

Mailing Address

La Porte

City

(281) 604-7000

Phone Number

N/A

Mobile Number (optional)

Texas

State

77571

ZIP

N/A

Fax Number

jacksonw@lpsd.org

Email Address

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)

Form for Section 1, Question 3. Fields include: First Name (Fred), Last Name (Stormer), Title (Shareholder), Firm Name (Underwood Law Firm, PC, DD), Phone Number ((806) 379-0306), Fax Number (N/A), Mobile Number (N/A), Email Address (fred.stormer@uwlaw.com), and Date (December 9, 2020).

4. On what date did the district determine this application complete? ..... December 9, 2020

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Form for Section 2, Question 1. Fields include: First Name (David), Last Name (Kabbes), Title (Vice President, General Counsel and Secretary), Organization (Stepan Company), Street Address (22 West Frontage Road), City (Northfield), State (Illinois), ZIP (60093), Phone Number (N/A), Fax Number (N/A), and Business Email Address.

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ..... [checked] Yes [ ] No

2a. If yes, please fill out contact information for that person.

Form for Section 2, Question 2a. Fields include: First Name (Sue), Last Name (Greenfield), Title (Tax Manager), Organization (Stepan Company), Street Address (22 West Frontage Road), City (Northfield), State (Illinois), ZIP (60093), Phone Number ((847) 501-2343), Fax Number (N/A), and Business Email Address (sgreenfield@stepan.com).

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ..... [checked] Yes [ ] No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Elaine Mesher
Senior Manager
Industrial Valuation Services
(512) 858-2373
emesher@indval.com

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? [X] Yes [ ] No
The total fee shall be paid at the same time 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.

\$ 75,000.00 Check
Stepan Company La Porte Independent School District
11/13/2020

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 [X] 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 [X] No [ ] N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Stepan Company
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 13618238342
3. Parent Company Name N/A
4. Parent Company Tax ID N/A
5. NAICS code 325611
6. Is the applicant a party to any other pending or active Chapter 313 agreements? [ ] Yes [X] No
6a. If yes, please list application number, name of school district and year of agreement N/A

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc) Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? [X] Yes [ ] No
2a. If yes, attach in Tab 3 a copy of the most recently submitted 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. Texas Franchise Tax Reporting Entity Taxpayer Name

Stepan Company

2c. Reporting Entity Taxpayer Number

13618238342

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:
- Land has no existing improvements
  - Land has existing improvements (complete Section 13)
  - Expansion of existing operation on the land (complete Section 13)
  - Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? **Land owned by wholly-owned subsidiary.**  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? **Idle plant exists outside project boundary (Tab 11).**  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 ..... 2021 Q2
  2. Estimated commencement of construction ..... 2021 Q3
  3. Beginning of qualifying time period (MM/DD/YYYY) ..... 05/01/2021
  4. First year of limitation (YYYY) ..... 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 ..... 2023 Q3

SECTION 10: The Property

1. County or counties in which the proposed project will be located Harris
2. Central Appraisal District (CAD) that will be responsible for appraising the property Harris
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>La Porte ISD, 1.0397, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>La Porte ISD, 0.23, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Harris County, 0.3911600, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A; Harris County Education, 0.004993, 100%</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Harris County Hospital, 0.1667, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>N/A; Harris County Flood Control, 0.03142, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Port of Houston, 0.0099100, 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>San Jacinto College, 0.1693580, 100%</u> <small>(Name, tax rate and percent of project)</small>

**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: _____ <small>(Incentive type, percentage, start and end year)</small>	N/A	City: _____ <small>(Incentive type, percentage, start and end year)</small>	N/A
Hospital District: _____ <small>(Incentive type, percentage, start and end year)</small>	N/A	Water District: _____ <small>(Incentive type, percentage, start and end year)</small>	N/A
Other (describe): _____ <small>(Incentive type, percentage, start and end year)</small>	N/A	Other (describe): _____ <small>(Incentive type, percentage, start and end year)</small>	N/A

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/](http://comptroller.texas.gov/economy/local/ch313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... \$ 80,000,000.00

2. What is the amount of appraised value limitation for which you are applying? ..... \$ 80,000,000.00

**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. 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**);
  - b. 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
  - c. 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:
- 1a. 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**);
  - 1b. 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**);
  - 1c. 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 reinvestment zone boundaries (**Tab 11**); and
  - 1d. 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:
- a. legal description of the land (Tab 9);
  - b. 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);
  - c. owner (Tab 9);
  - d. the current taxable value of the land, attach estimate if land is part of larger parcel (Tab 9); and
  - e. 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:
- a. evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (Tab 16);
  - b. legal description of reinvestment zone (Tab 16);
  - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
  - d. guidelines and criteria for creating the zone (Tab 16); and
  - e. 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? 05/01/2021

**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 (statement 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 statements 1 and 2 of this section, provide the following supporting information in Tab 10:
- a. maps and/or detailed site plan;
  - b. surveys;
  - c. appraisal district values and parcel numbers;
  - d. inventory lists;
  - e. existing and proposed property lists;
  - f. model and serial numbers of existing property; or
  - g. 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 statement 1): ..... \$ 1,000.00
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 statement 2): ..... \$ 0.00

**Note:** Investment for the property listed in statement 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? ..... 25
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) ..... 0
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)? .....  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 Texas Workforce Commission 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 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 ..... \$ 1,412.00
  - b. Qualifying job wage minimum option §313.021(5)(A)  
-110% of the average weekly wage for manufacturing jobs in the county is ..... \$ 1,863.00
  - c. Qualifying job wage minimum option §313.021(5)(B)  
-110% of the average weekly wage for manufacturing jobs in the region is ..... \$ 1,269.55
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? ..... \$ 66,016.50
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... \$ 66,016.50
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 13** 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 an entity other than the Comptroller's office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

## **Tab 2**

### **Proof of Payment of Application Fee**

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**

**Response to Section 5 question 2a.,  
documentation of combined group  
membership, received by CPA**

# Tab 4

## Detailed Description of Alkoxylation Project

### *Background:*

Stepan Company ('Stepan') is a global specialty and intermediate chemical manufacturer that has been serving a broad range of industries for 88 years. Stepan is a \$2 billion revenue company with over 2,200 employees around the world. The entrepreneurial spirit of our founder, Alfred C. Stepan Jr., is still present as we continue to seek and develop solutions for our customers.

Stepan is evaluating constructing an alkoxylation facility to provide products for laundry, cleaning, agricultural, insulation, paints and coatings. The Facility would be serving Stepan customers primarily in North America, but also South America, Asia and Europe. The Alkoxylation process produces surfactants which are key ingredients in consumer products such as laundry detergents, hard surface cleaners, disinfectants, shampoos and body wash, as well as customized solutions for the agricultural, oilfield and construction markets.

Stepan owns a facility in Pasadena, Texas for which approximately half of the property to the south is undeveloped. Stepan proposes to clear this partially forested area and construct new facilities on this land as well as new reactors in the central area of the facility. Portions of the developed northern half of the property are in the process of being demolished to clear the property for potential re-development and to eliminate the potential for acquisition of Stepan Company technology by a competitor if this project does not proceed and the site is sold.

### *Process:*

The scope for the Gulf Coast Alkoxylation project includes three reactors and associated capabilities including pumps, piping, heat exchangers, instrumentation, pre-treatment vessels

and filtration assets. The reactor design to be utilized is inherently safer, using Best Available Technology, and is highly automated including Safety Instrumented Systems.

Primary feedstocks for the Alkoxylation process are Ethylene Oxide (EO) and Propylene Oxide (PO) which will be supplied by railcars and unloaded in a dedicated area with storage tanks for EO and PO and the associated facilities such as pumps, piping, instrumentation, controls, containment and platforms for personnel access. There would be an addition of new rail spurs along the south boundary of the property to provide the dedicated EO and PO railcar unloading facilities. A dedicated Oxide chiller system is included for cooling for the EO and PO storage and piping systems. A diversion pond will be constructed for emergency fire water containment. A new packed tower Oxide scrubber will be installed for environmental emission controls (99.9% Removal). An air permit will be obtained from the TCEQ for all site activities.

The investment will provide for several new tank farm pumps, piping, instrumentation and controls as required. The facility will have capability to unload raw materials and load products by truck, isotainers and railcars. New overfill protection controls consisting of automated valves and high-level switches will be installed for spill prevention.

***Utilities:***

Utilities such as steam, nitrogen, cooling water, clarified water, compressed air will be required for the process. Steam will be supplied by pipeline from a local supplier with condensate return collected on site and then returned by pipeline to the supplier for energy recovery. Clarified water and high-pressure nitrogen will also be supplied by new pipelines from a local supplier. A Cooling Tower with 3 cells (one for each reactor) will be installed to provide cooling water to the process. Compressed dry air will be produced on site with the installation of air compressors with desiccant driers. The associated distribution piping, supporting structures, instrumentation and controls will be installed to supply these utilities as required through the facility.

Electrical power will be supplied from the existing Main Substation to a combination of existing and newly constructed area substations. Switchgear will meet new Arc Flash standards and existing MCC starters will be converted to Smart MCCs. New back-up emergency generators will be provided to supply critical loads during a power interruption. Wastewater pre-treatment will occur in dedicated storage tanks with permitted discharge through an existing pipeline to the local Publicly Owned Treatment Works, GCA. A construction storm water permit will be prepared, approved and implemented. The existing storm water permit will be amended to include the newly constructed facilities.

### ***Buildings and Infrastructure:***

A new Operations Control Center will be constructed that will include an operator control room, computer server room, laboratory, locker room facilities, break room and some offices. A Maintenance Building will be constructed to provide a facility for completing preventative maintenance and repairs. It will include a machining area, weld shop, parts storage, clean room and offices for mechanical crafts and leadership.

Automated deluge systems will be installed around EO and PO containing equipment and other areas as required to provide fire protection.

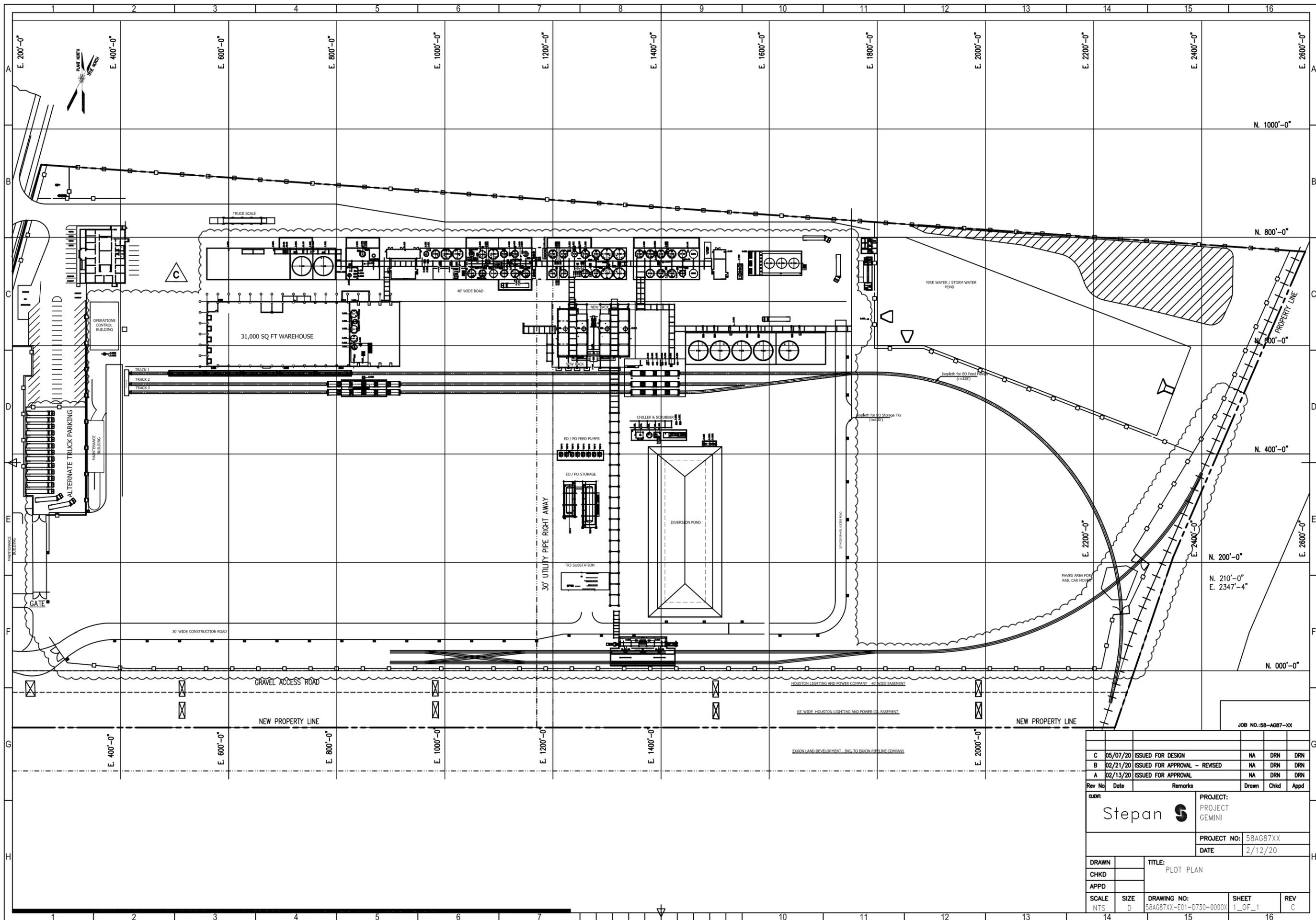
A facility risk review was completed so building distances and design will include the latest criteria for safe facility siting for the protection of personnel.

Security at the site will be provided by a well-maintained fence, locked & gated access, security cameras located throughout the facility, and monitoring personnel on site at all times.

### ***Investment Cost and Decision:***

The current capital estimate for the plant is \$203,000,000. Once approved, we anticipate two years of construction before commissioning and start-up.

Stepan takes a careful and long-term approach to investing, staying true to our values as a Responsible Care company while creating value for our shareholders. Extensive evaluations are conducted before making any final investment decisions. The decision to invest will be based on several commercial and financial considerations, including the ability to obtain relief regarding local property taxes. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas.



Rev No	Date	Remarks	Drawn	Chkd	Appd
C	05/07/20	ISSUED FOR DESIGN	NA	DRN	DRN
B	02/21/20	ISSUED FOR APPROVAL - REVISED	NA	DRN	DRN
A	02/13/20	ISSUED FOR APPROVAL	NA	DRN	DRN
CLIENT:			PROJECT:		
Stepan 			PROJECT GEMINI		
PROJECT NO: 58AG87XX			DATE: 2/12/20		
TITLE:			PLOT PLAN		
DRAWN	SCALE	SIZE	DRAWING NO:	SHEET	REV
CHKD	NTS	D	58AG87XX-E01-D730-0000X	1_OF_1	C

JOB NO.: 58-AG87-XX

# Tab 5

## Limitation as a Determining Factor

*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.*

Stepan Company (the “Applicant”) and its affiliates are a global specialty and intermediate chemical manufacturer that has been serving a broad range of industries for 88 years and operate through a manufacturing network of 18 production facilities across eleven countries with over 2,200 employees around the world. As such, the Applicant’s project team for the proposed project competes within the Stepan Company group for approval of a portion of the group’s capital investment budget to fund the capital investment necessary to construct the proposed project. Moreover, the Stepan Company group has the ability to invest, locate and develop new projects, such as the one that is the subject of this application, in numerous locations throughout the world. For example, with respect to potential locations in North America, the proposed new facilities could be constructed at potential sites along the U.S. Gulf Coast, including locations in Texas and Louisiana, and the Applicant has made inquiries to the Louisiana Economic Development, a Department of the State of Louisiana, concerning the potential economic development tax incentives available with respect a potential location in Louisiana.

The Applicant takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location. We consistently seek new global investment opportunities that create value for our owners. Our business model is to conduct an extensive evaluation before we make any final investment decision. Project teams evaluate these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration. No public announcements of a definitive intent to construct the proposed new facilities at the Harris County, Texas, site have been made.

The impact of the property tax burden on the economic return of the proposed new facilities is an important factor in the Applicant’s site selection evaluation and decision, as well as in

obtaining approval for the proposed project internally within Stepan Company. For the tax year 2020, La Porte ISD's maintenance and operations (M&O) tax rate of \$1.0397 per \$100 of taxable value represents over 50% of the total property tax burden imposed on taxable property located at the Harris County, Texas, site. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant's decision to invest capital and construct the proposed project in the State of Texas.

The decision to make an investment in a particular jurisdiction depends on the economics of the investment in that jurisdiction. Stepan Company's decision to proceed with the investment in the proposed project will be based on a number of commercial, regulatory and financial considerations, including the ability to obtain relief regarding property taxes. Capital investments are allocated to projects and locations based on expected economic return, and projected property tax liabilities associated with the proposed project are a substantial ongoing cost of operation. The projected property tax liabilities for the proposed project without a Chapter 313 appraised value limitation lower the economic rate of return and detract from the financial attractiveness of the proposed project making it less competitive with other capital intensive projects that deliver higher rates of return on invested capital. Accordingly, securing a Chapter 313 appraised value limitation is critical to establishing a rate of return competitive with other investment opportunities and, therefore, is an important factor affecting Stepan Company's final investment decision to construct and operate the proposed project in Texas.

# Tab 6

## Project Location

The project is located entirely within the boundaries of La Porte Independent School District. The project is also located 100% within the following taxing entities, and the 2020 tax rate is shown below for each:

Jurisdiction	Rate per \$100
Harris County	\$0.391160
Harris County Flood Control	\$0.031420
Port of Houston Authority	\$0.009910
Harris County Hospital District	\$0.166700
Harris County Education Department	\$0.004993
San Jacinto Community College	\$0.169358
La Porte Independent School District	\$1.269700

# Tab 7

## Description of Qualified Investment

Stepan Corporation proposes to construct a new Alkoxylation Surfactant manufacturing plant in Harris County, Texas, on undeveloped land at the location of its existing idle Pasadena plant. The proposed project would have an annual alkoxylation surfactant capacity of 163 million pounds serving customers in North America, South America, Asia and Europe.

New process equipment expected to be purchased for this project includes three reactors, pre-treatment vessels and filtration assets, recirculation loops, railcar unloading facilities, ethylene oxide and propylene oxide storage tanks, chillers, cooling towers, compressors, driers, substations, emergency generators, heat exchangers, pumps, mixers, valves, piping, scrubbers, electrical and instrumentation equipment, high level switches, computer control systems, structural foundations and supports, access platforms, safety systems, automated deluge systems, and pollution control equipment. New buildings would include an operations control center building containing an operator control room, server room, laboratory, locker room facilities, break room and offices and a maintenance building. Proposed land improvements are a diversion pond, containment and paving, including roads, rail unloading areas and new rail spurs for unloading and storage dedicated exclusively to the project.

# Tab 8

## Description of Qualified Property

Stepan Corporation proposes to construct a new Alkoxylation Surfactant manufacturing plant in Harris County, Texas, on undeveloped land at the location of its existing idle Pasadena plant. The proposed project would have an annual alkoxylation surfactant capacity of 163 million pounds serving customers in North America, South America, Asia and Europe.

New process equipment expected to be purchased for this project includes three reactors, pre-treatment vessels and filtration assets, recirculation loops, railcar unloading facilities, ethylene oxide and propylene oxide storage tanks, chillers, cooling towers, compressors, driers, substations, emergency generators, heat exchangers, pumps, mixers, valves, piping, scrubbers, electrical and instrumentation equipment, high level switches, computer control systems, structural foundations and supports, access platforms, safety systems, automated deluge systems, and pollution control equipment. New buildings would include an operations control center building containing an operator control room, server room, laboratory, locker room facilities, break room and offices and a maintenance building. Proposed land improvements are a diversion pond, containment and paving, including roads, rail unloading areas and new rail spurs for unloading and storage dedicated exclusively to the project.

# Tab 9

## Description of Land

The land on which the project will be built is part of three parcels owned by the Applicant's fully owned subsidiary and identified on the appraisal records of the Harris County Appraisal District ("HCAD") by the following accounts:

HCAD Account	Legal Description	Acreage
1005150000611	TR 10A BAYPORT SEC 1 U/R	12.116
1005150000612	TR 10A-2 BAYPORT SEC 1 U/R	30.578
1005150000721	TR 10A-3 BAYPORT SEC 1 U/R	7.779

The land will not be qualified property for purposes of this Application.



**Harris  
County  
Appraisal  
District**

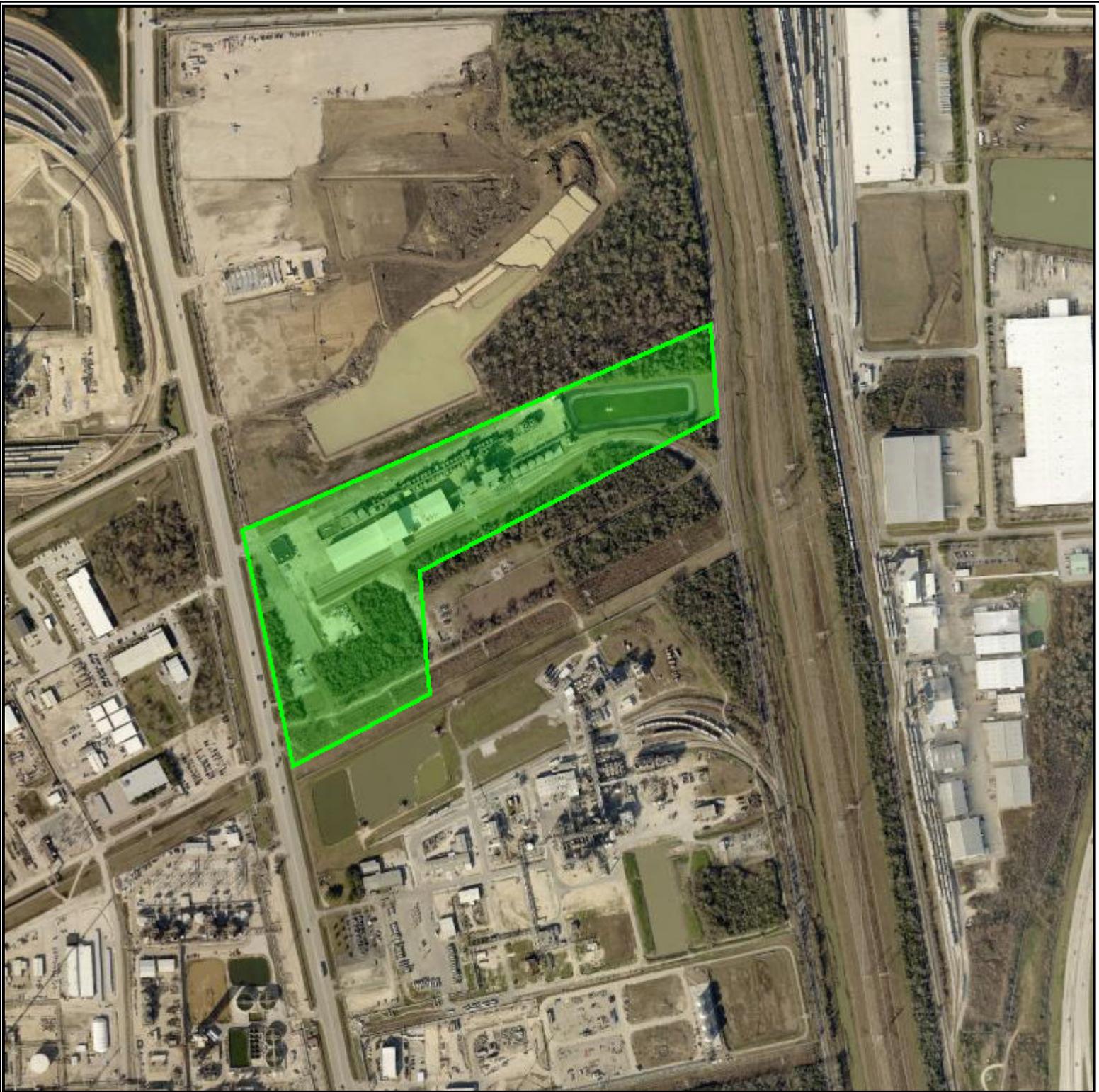
DETAIL MAP OF ACCOUNT NUMBER  
1005150000611



**Date: 11/11/2020**

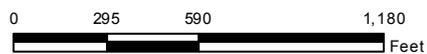
Geospatial or map data maintained by the Harris County Appraisal District is for informational purposes and may **not** have been prepared for or be suitable for legal, engineering, or surveying purposes. It does **not** represent an on-the-ground survey and only represents the approximate location of property boundaries.





**Harris  
County  
Appraisal  
District**

DETAIL MAP OF ACCOUNT NUMBER  
1005150000612



**Date: 11/11/2020**

Geospatial or map data maintained by the Harris County Appraisal District is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and only represents the approximate location of property boundaries.





**Harris  
County  
Appraisal  
District**

DETAIL MAP OF ACCOUNT NUMBER  
1005150000721



**Date: 11/11/2020**

Geospatial or map data maintained by the Harris County Appraisal District is for informational purposes and may **not** have been prepared for or be suitable for legal, engineering, or surveying purposes. It does **not** represent an on-the-ground survey and only represents the approximate location of property boundaries.



# Tab 10

## Description of All Property Not Eligible to Become Qualified Property

Stepan's Pasadena site has existing property within the project boundary that will not become qualified property. The existing asset within the project boundary is a concrete basin in which the new cooling towers will be constructed. These assets have an estimated market value of \$1,000.

HCAD Account	Property Description	2020 Value
1005150000612	Buildings and Process Improvements	\$1,000

All other existing improvements at the Pasadena site are outside the proposed project boundary, as detailed on the maps in Tab 11.

**Tab 11**

**Maps**

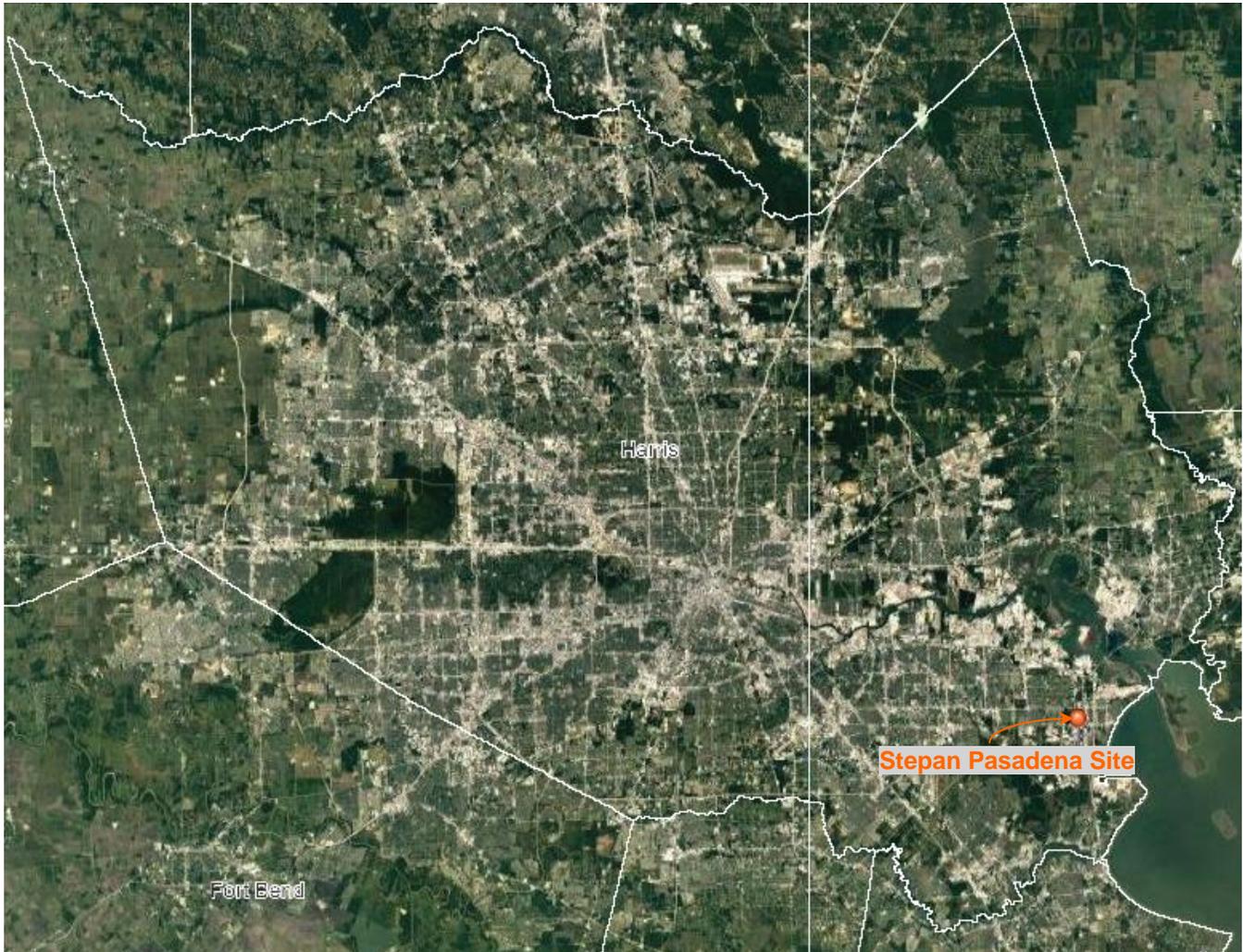
# Proposed Stepan Alkoxylation Project Site

The proposed project would be in Harris County,  
in La Porte ISD, at Stepan's Pasadena site.



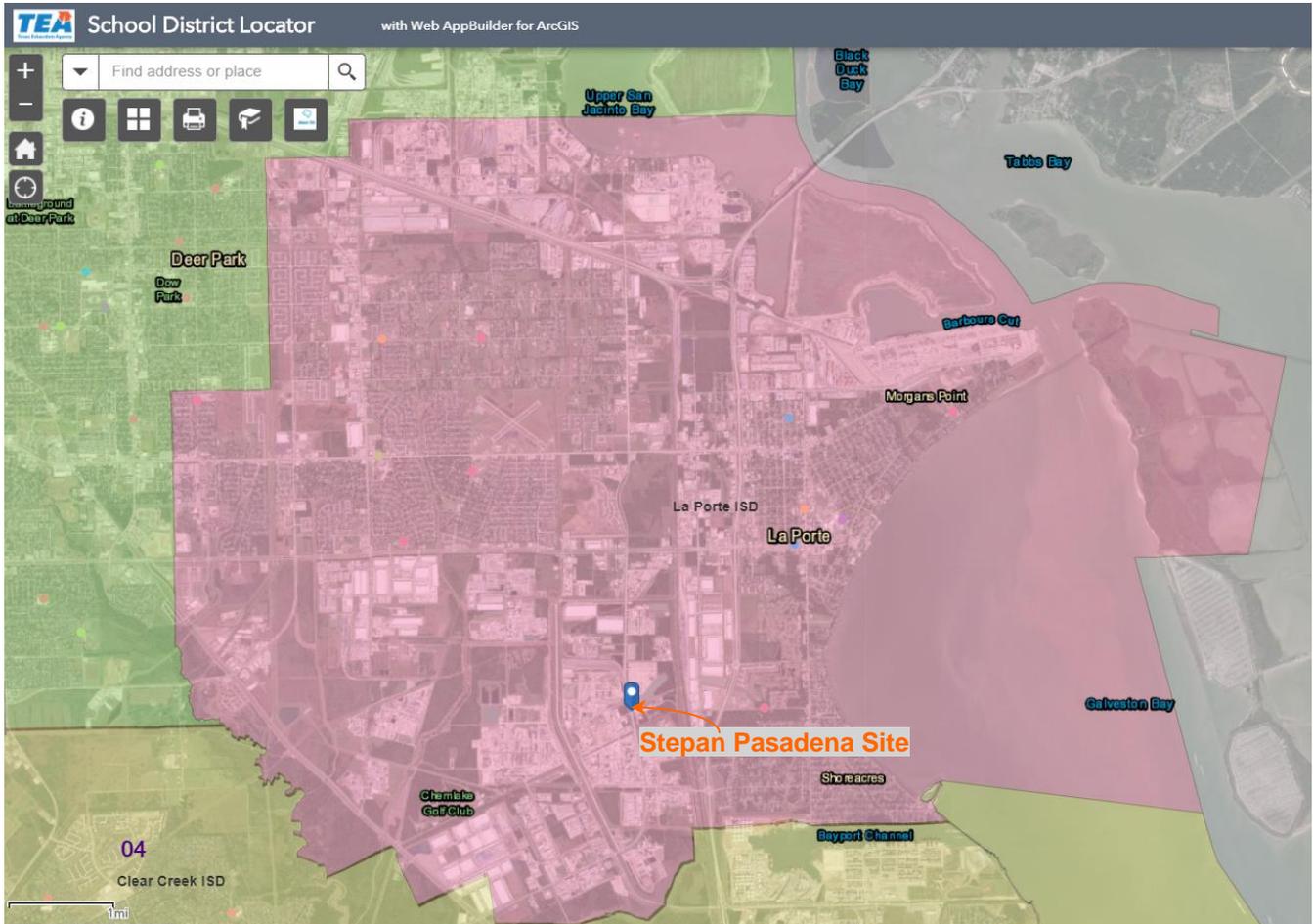
# Proposed Stepan Alkoxylation Project Site

The proposed project would be in Harris County,  
in La Porte ISD, at Stepan's Pasadena site.

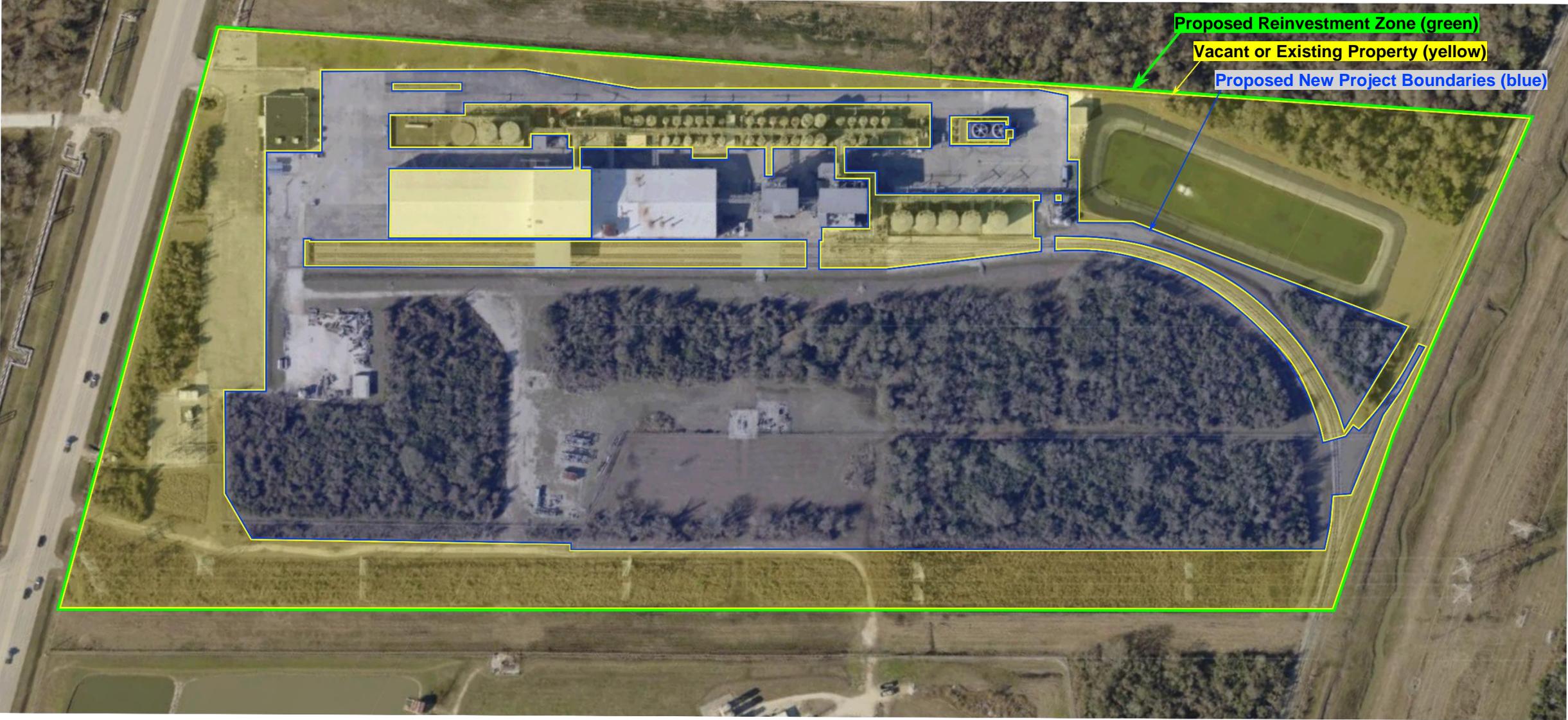


# Proposed Stepan Alkoxylation Project Site

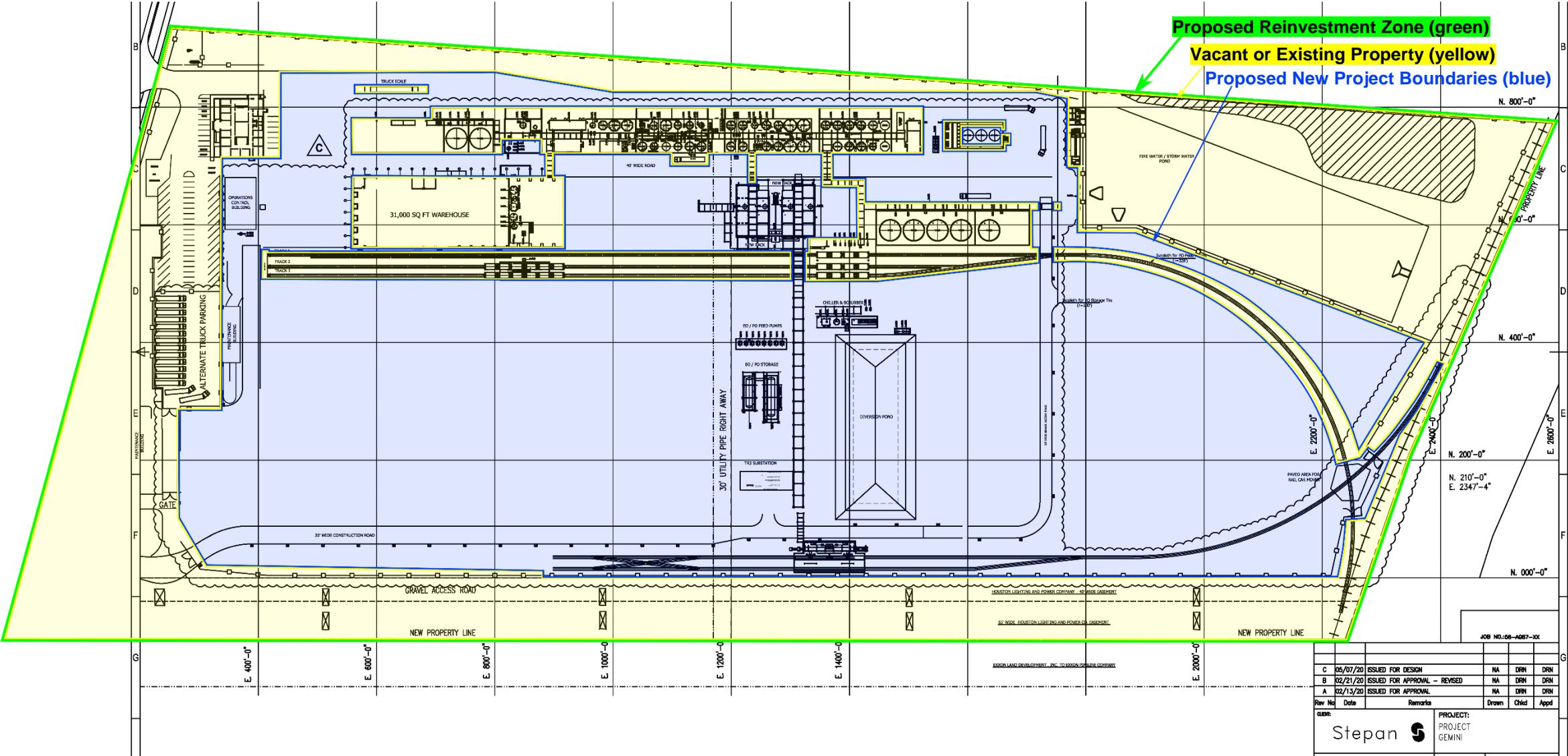
The proposed project would be in Harris County,  
in La Porte ISD, at Stepan's Pasadena site.



# Proposed Reinvestment Zone and Project Boundary



# Proposed Reinvestment Zone and Project Boundary



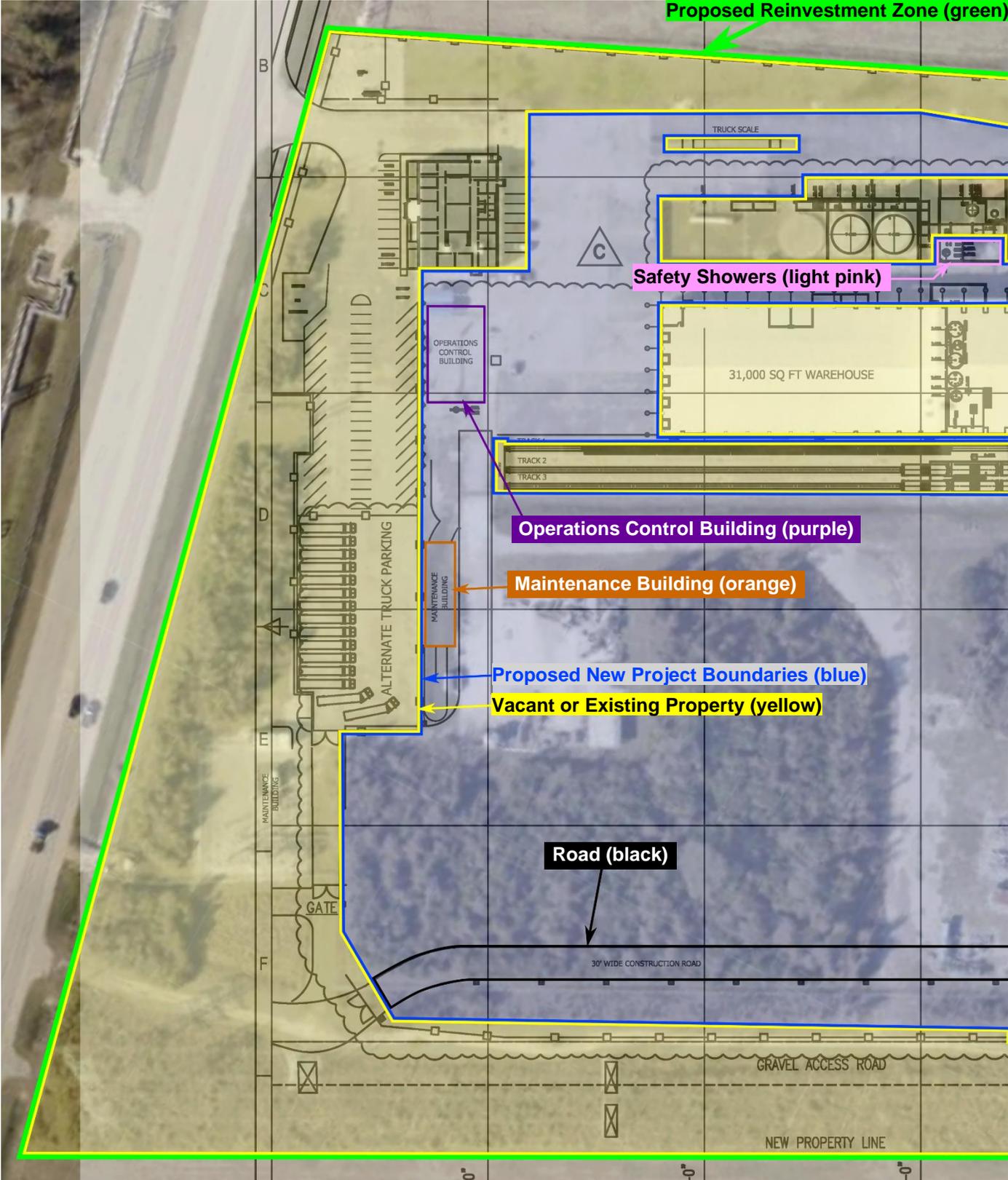
Rev No	Date	Remarks	Drawn	Chkd	Appd
C	05/07/20	ISSUED FOR DESIGN	NA	DRN	DRN
B	02/21/20	ISSUED FOR APPROVAL - REVISED	NA	DRN	DRN
A	02/13/20	ISSUED FOR APPROVAL	NA	DRN	DRN

JOB NO.: 08-4067-XX  
 PROJECT: PROJECT GEMINI  
**Stepan**



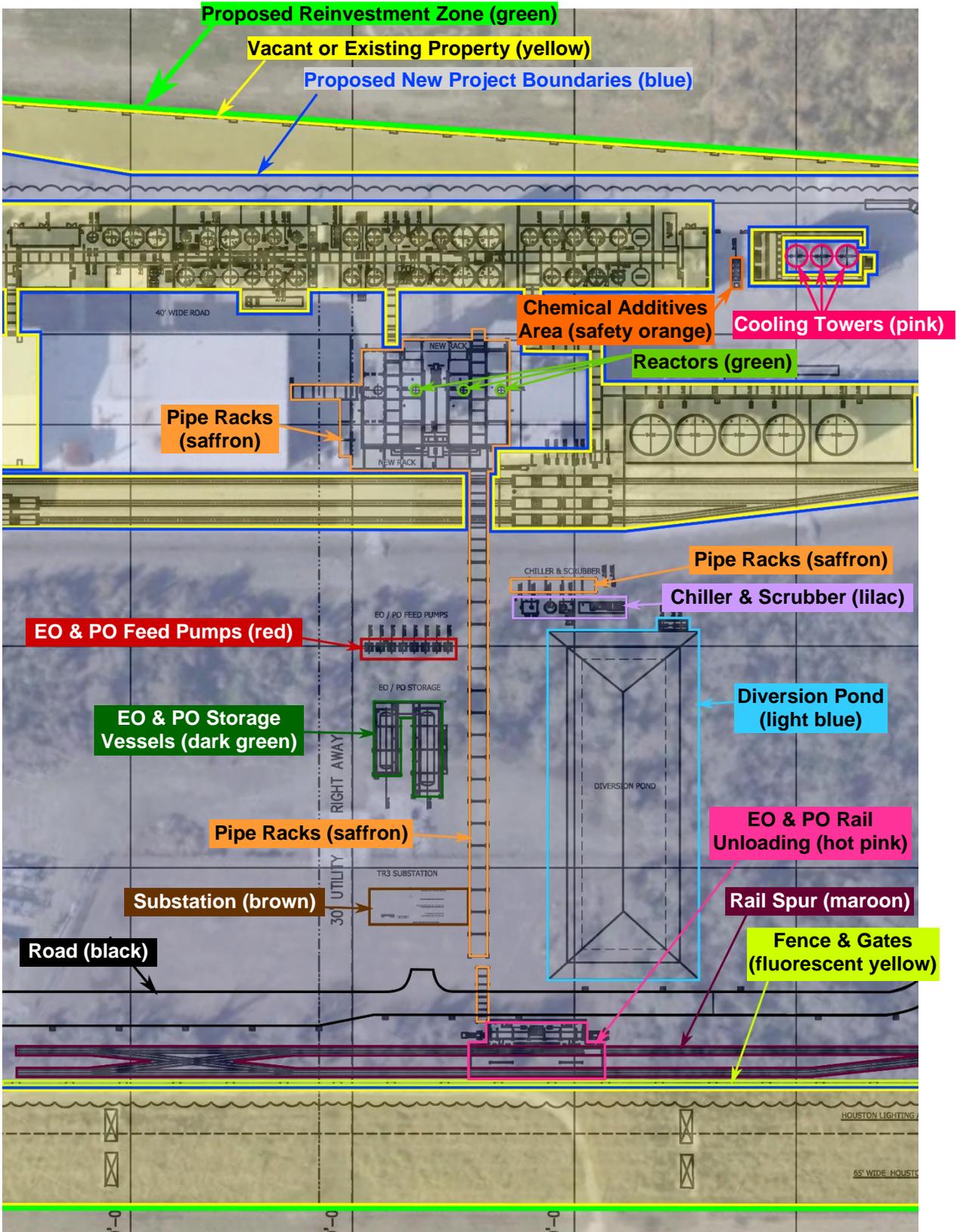
# Proposed New Improvements and Equipment

Inset 1.



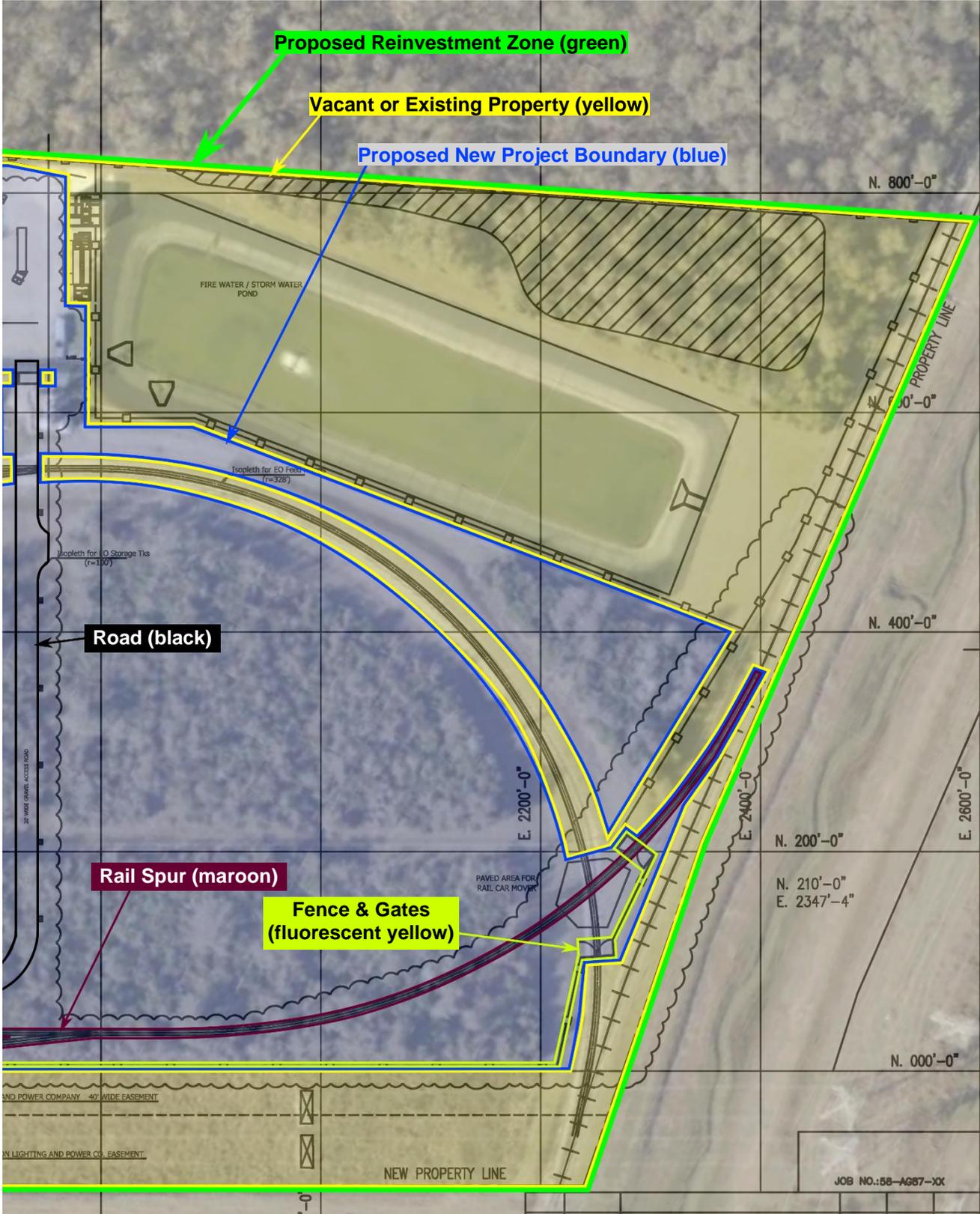
# Proposed New Improvements and Equipment

Inset 2.



# Proposed New Improvements and Equipment

Inset 3.



# **Tab 12**

## **Request for Waiver of Job Creation Requirement**

Not Applicable

# **Tab 13**

## **Wage Requirements**

### Non-Qualified Job Wages

Year	Period	Area	Owner-ship	Industry Code	Industry	Average Weekly Wage
2019	03	Harris	Total All	10	Total, All Industries	1,314
2019	04	Harris	Total All	10	Total, All Industries	1,426
2020	01	Harris	Total All	10	Total, All Industries	1,554
2020	02	Harris	Total All	10	Total, All Industries	1,352
<b>Average</b>						<b>1,412</b>

**Qualifying Job Wage Minimum Per Option §313.021(5)(A)**

Year	Period	Area	Owner-ship	Industry Code	Industry	Average Weekly Wage
2019	03	Harris	Private	31-33	Manufacturing	1,591.0
2019	04	Harris	Private	31-33	Manufacturing	1,722.0
2020	01	Harris	Private	31-33	Manufacturing	1,864.0
2020	02	Harris	Private	31-33	Manufacturing	1,597.0
<b>Average</b>						<b>1,694</b>
<b>110% of Average</b>						<b>1,863</b>

**Qualifying Job Wage Minimum Per Option §313.021(5)(B)**

**2019 Manufacturing Average Wages by Council of Government Region  
Wages for All Occupations**

COG	COG Number	Wages		110% Wages	
		Hourly	Annual	Weekly	Annual
<a href="#">Panhandle Regional Planning Commission</a>	1	\$22.31	\$46,399		
<a href="#">South Plains Association of Governments</a>	2	\$18.97	\$39,448		
<a href="#">NORTEX Regional Planning Commission</a>	3	\$20.38	\$42,395		
<a href="#">North Central Texas Council of Governments</a>	4	\$32.92	\$68,476		
<a href="#">Ark-Tex Council of Governments</a>	5	\$20.09	\$41,780		
<a href="#">East Texas Council of Governments</a>	6	\$28.95	\$60,211		
<a href="#">West Central Texas Council of Governments</a>	7	\$21.83	\$45,406		
<a href="#">Rio Grande Council of Governments</a>	8	\$18.15	\$37,749		
<a href="#">Permian Basin Regional Planning Commission</a>	9	\$21.87	\$45,499		
<a href="#">Concho Valley Council of Governments</a>	10	\$26.74	\$55,625		
<a href="#">Heart of Texas Council of Governments</a>	11	\$22.41	\$46,614		
<a href="#">Capital Area Council of Governments</a>	12	\$29.37	\$61,091		
<a href="#">Brazos Valley Council of Governments</a>	13	\$17.60	\$36,613		
<a href="#">Deep East Texas Council of Governments</a>	14	\$21.06	\$43,796		
<a href="#">South East Texas Regional Planning Commission</a>	15	\$25.52	\$53,079		
<b><a href="#">Houston-Galveston Area Council</a></b>	<b>16</b>	<b>\$28.85</b>	<b>\$60,015</b>	<b>\$1,269</b>	<b>\$66,017</b>
<a href="#">Golden Crescent Regional Planning Commission</a>	17	\$21.43	\$44,565		
<a href="#">Alamo Area Council of Governments</a>	18	\$26.64	\$55,401		
<a href="#">South Texas Development Council</a>	19	\$18.70	\$38,889		
<a href="#">Coastal Bend Council of Governments</a>	20	\$34.94	\$72,668		
<a href="#">Lower Rio Grande Valley Development Council</a>	21	\$20.05	\$41,698		
<a href="#">Texoma Council of Governments</a>	22	\$18.40	\$38,280		
<a href="#">Central Texas Council of Governments</a>	23	\$21.07	\$43,821		
<a href="#">Middle Rio Grande Development Council</a>	24	\$22.74	\$47,296		
<b>Texas</b>		\$27.25	\$56,673		

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

Data published: August 2020.

Data published annually, next update will likely be July 31, 2021

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 implementing Chapter 313, Texas Tax Code.

# **Tab 14**

## **Schedules A1, A2, B, and C**

## Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date **November 23, 2020**  
 Applicant Name **Stepan Corporation**  
 ISD Name **La Porte ISD**

Form 50-296A  
 Revised October 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 <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> 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]	<b>Total Investment</b> (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	2020	Not eligible to become Qualified Property		\$0	\$0	\$0
Investment made after filing complete application with district, but before final board approval of application	--	(assuming no deferrals of qualifying time period)		\$0	\$0	\$0	\$0	\$0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period			2021	\$1,796,000	\$88,004,000	\$0	\$0	\$89,800,000
Complete tax years of qualifying time period	QTP1		2022	\$1,890,000	\$92,610,000	\$0	\$0	\$94,500,000
	QTP2		2023	\$372,000	\$18,228,000	\$0	\$0	\$18,600,000
<b>Total Investment through Qualifying Time Period</b> [ENTER this row in Schedule A2]				\$4,058,000	\$198,842,000	\$0	\$0	\$202,900,000
Enter amounts from TOTAL row above in Schedule A2								
<b>Total Qualified Investment (sum of green cells)</b>				\$202,900,000				

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.

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.

## Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Date **November 23, 2020**  
 Applicant Name **Stepan Corporation**  
 ISD Name **La Porte ISD**

Form 50-296A  
 Revised October 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 <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> 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]	<b>Total Investment</b> (Columns A+B+C+D)
Total Investment from Schedule A1*	--	<b>TOTALS FROM SCHEDULE A1</b>		<b>Enter amounts from TOTAL row in Schedule A1 in the row below</b>				
				\$4,058,000	\$198,842,000	\$0	\$0	\$202,900,000
Each year prior to start of value limitation period**	0	2021-2022	2021	\$0	\$0	\$0	\$0	\$0
	0	2022-2023	2022	\$0	\$0	\$0	\$0	\$0
	0	2023-2024	2023	\$0	\$0	\$0	\$0	\$0
Value limitation period***	1	2024-2025	2024	\$0	\$0	\$0	\$0	\$0
	2	2025-2026	2025	\$0	\$0	\$0	\$0	\$0
	3	2026-2027	2026	\$0	\$0	\$0	\$0	\$0
	4	2027-2028	2027	\$0	\$0	\$0	\$0	\$0
	5	2028-2029	2028	\$0	\$0	\$0	\$0	\$0
	6	2029-2030	2029	\$0	\$0	\$0	\$0	\$0
	7	2030-2031	2030	\$0	\$0	\$0	\$0	\$0
	8	2031-2032	2031	\$0	\$0	\$0	\$0	\$0
<b>Total Investment made through limitation</b>				\$4,058,000	\$198,842,000	\$0	\$0	\$202,900,000
Continue to maintain viable presence	11	2034-2035	2034			\$0		\$0
	12	2035-2036	2035			\$0		\$0
	13	2036-2037	2036			\$0		\$0
	14	2037-2038	2037			\$0		\$0
	15	2038-2039	2038			\$0		\$0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2039-2040	2039			\$0		\$0
	17	2040-2041	2040			\$0		\$0
	18	2041-2042	2041			\$0		\$0
	19	2042-2043	2042			\$0		\$0
	20	2043-2044	2043			\$0		\$0
	21	2044-2045	2044			\$0		\$0
	22	2045-2046	2045			\$0		\$0
	23	2046-2047	2046			\$0		\$0
	24	2047-2048	2047			\$0		\$0
	25	2048-2049	2048			\$0		\$0

\* 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

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.

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

Column C: 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 **November 23, 2020**  
 Applicant Name **Stepan Corporation**  
 ISD Name **La Porte ISD**

Form 50-296A  
 Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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	2021-2022	2021						
	0	2022-2023	2022		\$44,002,000	\$898,000	\$44,900,000	\$44,900,000	\$44,900,000
	0	2023-2024	2023		\$90,307,000	\$1,843,000	\$92,150,000	\$92,150,000	\$92,150,000
Value Limitation Period	1	2024-2025	2024		\$144,657,555	\$3,733,360	\$133,551,824	\$133,551,824	\$80,000,000
	2	2025-2026	2025		\$143,685,218	\$3,531,434	\$132,494,986	\$132,494,986	\$80,000,000
	3	2026-2027	2026		\$143,882,071	\$3,306,134	\$132,469,384	\$132,469,384	\$80,000,000
	4	2027-2028	2027		\$140,180,627	\$2,971,714	\$128,837,107	\$128,837,107	\$80,000,000
	5	2028-2029	2028		\$132,560,008	\$2,551,346	\$121,600,218	\$121,600,218	\$80,000,000
	6	2029-2030	2029		\$127,256,892	\$2,175,331	\$116,489,001	\$116,489,001	\$80,000,000
	7	2030-2031	2030		\$122,275,899	\$1,753,543	\$111,626,498	\$111,626,498	\$80,000,000
	8	2031-2032	2031		\$116,710,312	\$1,361,053	\$106,264,229	\$106,264,229	\$80,000,000
	9	2032-2033	2032		\$111,378,861	\$1,119,034	\$101,248,105	\$101,248,105	\$80,000,000
Continue to maintain viable presence	10	2033-2034	2033		\$106,121,975	\$1,010,685	\$96,419,395	\$96,419,395	\$80,000,000
	11	2034-2035	2034		\$96,540,277	\$955,253	\$87,745,977	\$87,745,977	\$87,745,977
	12	2035-2036	2035		\$90,299,123	\$638,851	\$81,844,177	\$81,844,177	\$81,844,177
	13	2036-2037	2036		\$84,423,342	\$638,851	\$76,555,974	\$76,555,974	\$76,555,974
	14	2037-2038	2037		\$79,159,000	\$638,851	\$71,818,066	\$71,818,066	\$71,818,066
Additional years for 25 year economic impact as required by 313.026(c)(1)	15	2038-2039	2038		\$72,448,083	\$638,851	\$65,778,240	\$65,778,240	\$65,778,240
	16	2039-2040	2039		\$69,022,532	\$638,851	\$62,695,245	\$62,695,245	\$62,695,245
	17	2040-2041	2040		\$62,210,205	\$638,851	\$56,564,151	\$56,564,151	\$56,564,151
	18	2041-2042	2041		\$56,228,541	\$638,851	\$51,180,653	\$51,180,653	\$51,180,653
	19	2042-2043	2042		\$51,838,109	\$638,851	\$47,229,264	\$47,229,264	\$47,229,264
	20	2043-2044	2043		\$49,888,961	\$638,851	\$45,475,030	\$45,475,030	\$45,475,030
	21	2044-2045	2044		\$50,797,172	\$638,851	\$46,292,420	\$46,292,420	\$46,292,420
	22	2045-2046	2045		\$48,527,390	\$638,851	\$44,249,617	\$44,249,617	\$44,249,617
	23	2046-2047	2046		\$48,527,390	\$638,851	\$44,249,617	\$44,249,617	\$44,249,617
	24	2047-2048	2047		\$48,527,390	\$638,851	\$44,249,617	\$44,249,617	\$44,249,617
	25	2048-2049	2048		\$48,527,390	\$638,851	\$44,249,617	\$44,249,617	\$44,249,617

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 **November 23, 2020**  
 Applicant Name **Stepan Corporation**  
 ISD Name **La Porte ISD**

**Form 50-296A**  
 Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2021-2022	2021	70	\$89,232		0	
	0	2022-2023	2022	150	\$89,232		0	
	0	2023-2024	2023	100	\$89,232		0	
Value Limitation Period  <i>The qualifying time period could overlap the value limitation period.</i>	1	2024-2025	2024				25	\$66,016.50
	2	2025-2026	2025				25	\$66,016.50
	3	2026-2027	2026				25	\$66,016.50
	4	2027-2028	2027				25	\$66,016.50
	5	2028-2029	2028				25	\$66,016.50
	6	2029-2030	2029				25	\$66,016.50
	7	2030-2031	2030				25	\$66,016.50
	8	2031-2032	2031				25	\$66,016.50
	9	2032-2033	2032				25	\$66,016.50
10	2033-2034	2033				25	\$66,016.50	
Years Following Value Limitation Period	11 through 25	2034-2035 through 2048-2049	2034-2048				25	\$66,016.50

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

# Tab 15

## Economic Impact Analysis

Not Applicable

# Tab 16

## Description of Reinvestment or Enterprise Zone

The proposed reinvestment zone to be created by La Porte Independent School District comprises approximately 50.473 acres and is defined by the following three Harris County Appraisal District parcels, maps of which are included in Tab 9, Description of Land:

<u>HCAD Account</u>	<u>Legal Description</u>	<u>Acreage</u>
1005150000611	TR 10A BAYPORT SEC 1 U/R	12.116
1005150000612	TR 10A-2 BAYPORT SEC 1 U/R	30.578
1005150000721	TR 10A-3 BAYPORT SEC 1 U/R	7.779



# La Porte Independent School District

1002 San Jacinto Street  
La Porte, Texas 77571

Dr. Walter Jackson  
Superintendent of Schools

(281) 604-7001  
Fax (281) 604-7010  
lpsd.org

December 8, 2020

Chapter 313 Team  
Data Analysis and Transparency Division  
Texas Comptroller of Public Accounts  
P.O. Box 13528 Capitol Station  
Austin TX 78711-3528

Re: Stepan Company application to La Porte ISD  
District's Intent to Establish a Reinvestment Zone

To Whom It May Concern,

Please be advised that La Porte Independent School District, an Excess Local Revenue District under Chapter 49 of the Education Code, intends to establish a reinvestment zone to encompass the Project set out in the above-referenced application. The District is currently working with the applicant to properly describe the boundaries of the reinvestment zone, and the District intends to establish the reinvestment zone before approval of the application. Once the reinvestment zone is established, the District will supplement the above-noted application. It is understood that that the Project described in the above-noted application must be located within a reinvestment zone, and the District will not consider the above-noted application and any resulting Appraised Value Limitation Agreement unless and until a reinvestment zone has been established as provided by District Policy CCGB (LEGAL).

If you need anything further, please do not hesitate to contact the District's legal counsel, Fred Stormer, of the Underwood Law Firm, P.C.

Sincerely,

Walter Jackson, Ed.D., Superintendent

# **Tab 17**

## **Signature and Certification**

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 Dr. Walter Jackson Superintendent
Print Name (Authorized School District Representative) Title
sign here Walter S. Jackson 12-08-2020
Signature (Authorized School District Representative) 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 David Kabbes Vice President, General Counsel, Secretary
Print Name (Authorized Company Representative (Applicant)) Title
sign here Paul Kabbes December 2, 2020
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the 2nd day of December, 2020
Margaret A. Logan
Notary Public in and for the State of Texas Illinois
My Commission expires: October 18, 2024

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.