



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 9, 2021

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

Re: Certificate for Limitation on Appraised Value of Property for School District  
Maintenance and Operations taxes by and between La Porte Independent School  
District and Air Products LLC, Application 1605

Dear Superintendent Jackson:

On June 18, 2021, the Comptroller issued written notice that Air Products LLC (applicant) submitted a completed application (Application 1605) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on May 19, 2021, to the La Porte 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 B; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

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.

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<sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d)      Applicant has requested a waiver 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 1605.

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 B.

**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, 2021.

Note that any building or improvement existing as of the application review start date of June 18, 2021, 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](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

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 Air Products LLC (project) applying to La Porte Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of Air Products LLC.

Applicant	Air Products LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	La Porte ISD
2019-2020 Average Daily Attendance	6,493
County	Harris
Proposed Total Investment in District	\$194,850,000
Proposed Qualified Investment	\$194,850,000
Limitation Amount	\$100,000,000
Qualifying Time Period (Full Years)	2022-2023
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	\$1,271
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,271
Minimum annual wage committed to by applicant for qualified jobs	\$66,100
Minimum weekly wage required for non-qualifying jobs	\$1,436.75
Minimum annual wage required for non-qualifying jobs	\$74,711
Investment per Qualifying Job	\$19,485,000
Estimated M&O levy without any limit (15 years)	\$18,617,894
Estimated M&O levy with Limitation (15 years)	\$14,844,771
Estimated gross M&O tax benefit (15 years)	\$3,773,123

\* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of Air Products LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	250	298	548	\$13,125,000	\$29,495,000	\$42,620,000
2023	250	313	562.67	\$13,125,000	\$34,845,000	\$47,970,000
2024	10	68	78	\$661,000	\$11,089,000	\$11,750,000
2025	10	47	57	\$661,000	\$8,419,000	\$9,080,000
2026	10	28	38	\$661,000	\$6,179,000	\$6,840,000
2027	10	19	29	\$661,000	\$4,919,000	\$5,580,000
2028	10	17	27	\$661,000	\$4,389,000	\$5,050,000
2029	10	19	29	\$661,000	\$4,369,000	\$5,030,000
2030	10	24	34	\$661,000	\$4,699,000	\$5,360,000
2031	10	28	38	\$661,000	\$5,199,000	\$5,860,000
2032	10	33	43	\$661,000	\$5,799,000	\$6,460,000
2033	10	37	47	\$661,000	\$6,429,000	\$7,090,000
2034	10	40	50	\$661,000	\$7,079,000	\$7,740,000
2035	10	43	53	\$661,000	\$7,689,000	\$8,350,000
2036	10	44	54	\$661,000	\$8,249,000	\$8,910,000
2037	10	46	56	\$661,000	\$8,759,000	\$9,420,000
2038	10	46	56	\$661,000	\$9,189,000	\$9,850,000

Source: CPA REMI, Air Products 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		La Porte ISD I&S Tax Levy	La Porte ISD M&O Tax Levy	La Porte ISD M&O and I&S Tax Levies	Harris County Tax Levy	Harris County Education Tax Levy	Harris County Hospital Tax Levy	Harris County Flood Tax Levy	Port of Houston Tax Levy	San Jacinto College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2300	1.0397		0.3912	0.0050	0.1667	0.0314	0.0099	0.1694	
2023	\$37,500,000	\$37,500,000		\$86,250	\$389,888	\$476,138	\$146,685	\$1,872	\$62,513	\$11,783	\$3,716	\$63,509	\$766,215
2024	\$183,425,475	\$183,425,475		\$421,879	\$1,907,075	\$2,328,953	\$717,487	\$9,158	\$305,770	\$57,632	\$18,177	\$310,646	\$3,747,825
2025	\$170,800,677	\$170,800,677		\$392,842	\$1,775,815	\$2,168,656	\$668,104	\$8,528	\$284,725	\$53,666	\$16,926	\$289,265	\$3,489,869
2026	\$159,054,244	\$159,054,244		\$365,825	\$1,653,687	\$2,019,512	\$622,157	\$7,942	\$265,143	\$49,975	\$15,762	\$269,371	\$3,249,862
2027	\$148,124,819	\$148,124,819		\$340,687	\$1,540,054	\$1,880,741	\$579,405	\$7,396	\$246,924	\$46,541	\$14,679	\$250,861	\$3,026,547
2028	\$137,955,347	\$137,955,347		\$317,297	\$1,434,322	\$1,751,619	\$539,626	\$6,888	\$229,972	\$43,346	\$13,671	\$233,638	\$2,818,760
2029	\$128,492,758	\$128,492,758		\$295,533	\$1,335,939	\$1,631,473	\$502,612	\$6,416	\$214,197	\$40,372	\$12,734	\$217,613	\$2,625,417
2030	\$119,687,686	\$119,687,686		\$275,282	\$1,244,393	\$1,519,675	\$468,170	\$5,976	\$199,519	\$37,606	\$11,861	\$202,701	\$2,445,508
2031	\$111,494,242	\$111,494,242		\$256,437	\$1,159,206	\$1,415,642	\$436,121	\$5,567	\$185,861	\$35,031	\$11,049	\$188,824	\$2,278,096
2032	\$103,869,717	\$103,869,717		\$238,900	\$1,079,933	\$1,318,834	\$406,297	\$5,186	\$173,151	\$32,636	\$10,293	\$175,912	\$2,122,309
2033	\$96,774,406	\$96,774,406		\$222,581	\$1,006,164	\$1,228,745	\$378,543	\$4,832	\$161,323	\$30,407	\$9,590	\$163,895	\$1,977,334
2034	\$90,171,379	\$90,171,379		\$207,394	\$937,512	\$1,144,906	\$352,714	\$4,502	\$150,316	\$28,332	\$8,936	\$152,712	\$1,842,419
2035	\$84,026,287	\$84,026,287		\$193,260	\$873,621	\$1,066,882	\$328,677	\$4,195	\$140,072	\$26,401	\$8,327	\$142,305	\$1,716,860
2036	\$78,307,181	\$78,307,181		\$180,107	\$814,160	\$994,266	\$306,306	\$3,910	\$130,538	\$24,604	\$7,760	\$132,619	\$1,600,004
2037	\$72,984,344	\$72,984,344		\$167,864	\$758,818	\$926,682	\$285,486	\$3,644	\$121,665	\$22,932	\$7,233	\$123,605	\$1,491,246
2038	\$68,030,136	\$68,030,136		\$156,469	\$707,309	\$863,779	\$266,107	\$3,397	\$113,406	\$21,375	\$6,742	\$115,214	\$1,390,020
			Total	\$4,118,607	\$18,617,894	\$22,736,501	\$7,004,497	\$89,410	\$2,985,095	\$562,638	\$177,458	\$3,032,692	\$36,588,290

Source: CPA, Air Products LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Harris County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		La Porte ISD I&S Tax Levy	La Porte ISD M&O Tax Levy	La Porte ISD M&O and I&S Tax Levies	Harris County Tax Levy	Harris County Education Tax Levy	Harris County Hospital Tax Levy	Harris County Flood Tax Levy	Port of Houston Tax Levy	San Jacinto College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2300	1.0397		0.3912	0.0050	0.1667	0.0314	0.0099	0.1694	
2023	\$37,500,000	\$37,500,000		\$86,250	\$389,888	\$476,138	\$146,685	\$1,872	\$62,513	\$11,783	\$3,716	\$63,509	\$766,215
2024	\$183,425,475	\$100,000,000		\$421,879	\$1,039,700	\$1,461,579	\$717,487	\$9,158	\$305,770	\$57,632	\$18,177	\$310,646	\$2,880,450
2025	\$170,800,677	\$100,000,000		\$392,842	\$1,039,700	\$1,432,542	\$668,104	\$8,528	\$284,725	\$53,666	\$16,926	\$289,265	\$2,753,755
2026	\$159,054,244	\$100,000,000		\$365,825	\$1,039,700	\$1,405,525	\$622,157	\$7,942	\$265,143	\$49,975	\$15,762	\$269,371	\$2,635,875
2027	\$148,124,819	\$100,000,000		\$340,687	\$1,039,700	\$1,380,387	\$579,405	\$7,396	\$246,924	\$46,541	\$14,679	\$250,861	\$2,526,193
2028	\$137,955,347	\$100,000,000		\$317,297	\$1,039,700	\$1,356,997	\$539,626	\$6,888	\$229,972	\$43,346	\$13,671	\$233,638	\$2,424,138
2029	\$128,492,758	\$100,000,000		\$295,533	\$1,039,700	\$1,335,233	\$502,612	\$6,416	\$214,197	\$40,372	\$12,734	\$217,613	\$2,329,178
2030	\$119,687,686	\$100,000,000		\$275,282	\$1,039,700	\$1,314,982	\$468,170	\$5,976	\$199,519	\$37,606	\$11,861	\$202,701	\$2,240,815
2031	\$111,494,242	\$100,000,000		\$256,437	\$1,039,700	\$1,296,137	\$436,121	\$5,567	\$185,861	\$35,031	\$11,049	\$188,824	\$2,158,590
2032	\$103,869,717	\$100,000,000		\$238,900	\$1,039,700	\$1,278,600	\$406,297	\$5,186	\$173,151	\$32,636	\$10,293	\$175,912	\$2,082,075
2033	\$96,774,406	\$96,774,406		\$222,581	\$1,006,163	\$1,228,745	\$378,543	\$4,832	\$161,323	\$30,407	\$9,590	\$163,895	\$1,977,334
2034	\$90,171,379	\$90,171,379		\$207,394	\$937,512	\$1,144,906	\$352,714	\$4,502	\$150,316	\$28,332	\$8,936	\$152,712	\$1,842,419
2035	\$84,026,287	\$84,026,287		\$193,260	\$873,621	\$1,066,882	\$328,677	\$4,195	\$140,072	\$26,401	\$8,327	\$142,305	\$1,716,860
2036	\$78,307,181	\$78,307,181		\$180,107	\$814,160	\$994,266	\$306,306	\$3,910	\$130,538	\$24,604	\$7,760	\$132,619	\$1,600,004
2037	\$72,984,344	\$72,984,344		\$167,864	\$758,818	\$926,682	\$285,486	\$3,644	\$121,665	\$22,932	\$7,233	\$123,605	\$1,491,246
2038	\$68,030,136	\$68,030,136		\$156,469	\$707,309	\$863,779	\$266,107	\$3,397	\$113,406	\$21,375	\$6,742	\$115,214	\$1,390,020
			Total	\$4,118,607	\$14,844,771	\$18,963,378	\$7,004,497	\$89,410	\$2,985,095	\$562,638	\$177,458	\$3,032,692	\$32,815,167
			Diff	\$0	\$3,773,123	\$3,773,123	\$0	\$0	\$0	\$0	\$0	\$0	\$3,773,123

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Air Products 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller's determination that Air Products 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)
<b>Limitation Pre-Years</b>	2021	\$0	\$0	\$0	\$0
	2022	\$0	\$0	\$0	\$0
	2023	\$389,888	\$389,888	\$0	\$0
<b>Limitation Period (10 Years)</b>	2024	\$1,039,700	\$1,429,588	\$867,375	\$867,375
	2025	\$1,039,700	\$2,469,288	\$736,115	\$1,603,489
	2026	\$1,039,700	\$3,508,988	\$613,987	\$2,217,476
	2027	\$1,039,700	\$4,548,688	\$500,354	\$2,717,830
	2028	\$1,039,700	\$5,588,388	\$394,622	\$3,112,452
	2029	\$1,039,700	\$6,628,088	\$296,239	\$3,408,691
	2030	\$1,039,700	\$7,667,788	\$204,693	\$3,613,384
	2031	\$1,039,700	\$8,707,488	\$119,506	\$3,732,889
	2032	\$1,039,700	\$9,747,188	\$40,233	\$3,773,123
	2033	\$1,006,164	\$10,753,351	\$0	\$3,773,123
<b>Maintain Viable Presence (5 Years)</b>	2034	\$937,512	\$11,690,863	\$0	\$3,773,123
	2035	\$873,621	\$12,564,484	\$0	\$3,773,123
	2036	\$814,160	\$13,378,644	\$0	\$3,773,123
	2037	\$758,818	\$14,137,462	\$0	\$3,773,123
	2038	\$707,309	\$14,844,771	\$0	\$3,773,123
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2039	\$659,366	\$15,504,137	\$0	\$3,773,123
	2040	\$614,739	\$16,118,876	\$0	\$3,773,123
	2041	\$573,198	\$16,692,075	\$0	\$3,773,123
	2042	\$534,528	\$17,226,602	\$0	\$3,773,123
	2043	\$498,528	\$17,725,130	\$0	\$3,773,123
	2044	\$465,013	\$18,190,143	\$0	\$3,773,123
	2045	\$433,809	\$18,623,952	\$0	\$3,773,123
	2046	\$404,756	\$19,028,708	\$0	\$3,773,123
	2047	\$377,704	\$19,406,412	\$0	\$3,773,123
	2048	\$352,513	\$19,758,924	\$0	\$3,773,123
		<b>\$19,758,924</b>	is greater than	<b>\$3,773,123</b>	
<b>Analysis Summary</b>					
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

Source: CPA, Air Products 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 Air Products 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 Air Products LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “The proposed site for this project is on land owned by Praxair at its existing facility in La Porte, Texas where the company currently has other business activity. A non-binding letter of intent to supply was signed with a prospective customer. The letter of intent is non-binding and does not require the facility to be located at this site.”
  - B. “Air Products is the global leader in the supply of liquefied natural gas process technology and equipment. The Company develops, engineers, builds, owns, and operates some of the world's largest industrial gas projects, including gasification projects that sustainably convert abundant natural resources into syngas to produce high-value power, fuels, and chemicals; carbon capture projects; and world-scale carbon-free hydrogen projects supporting global transportation and the energy transition.”
  - C. “Air Products vast footprint enables this project to be built and installed in our Gulf Coast pipeline network that runs from Texas to Alabama.”
  - D. “In the case of the investment on this proposed project in Texas, the decision will be based on a number of 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 and a determining factor for investment in Texas. The domestic and global industrial gas market is very competitive. Without the Chapter 313 value limitation, siting the project in Texas is less attractive.”
- In a July 15th email from an Air Products company consultant:
  - A. “The liquid hydrogen (“H2”) plant referred to in the attached articles is a separate project. The liquid H2 project is under construction and will proceed independent of this project. They are both located at the La Porte plant site but are totally unrelated.”
  - B. “The proposed project’s main feedstocks are natural gas, CO2 and oxygen. The natural gas will be provided by a third party. A portion of the CO2 will be sourced from a third party and combined



with additional CO<sub>2</sub> off an existing Air Products' facility. Both CO<sub>2</sub> streams are currently vented to the atmosphere and a new pipeline will be installed to transport the third party CO<sub>2</sub> to Air Products. Oxygen will be supplied by Air Products' Gulf Coast Oxygen Pipeline Network. Existing hydrogen, CO, syngas and steam pipelines will be utilized to transport products to Air Products' customers."

- C. "As a note AP confirmed that the CO<sub>2</sub> pipeline will not be constructed unless this new/proposed project is built and AP is under no binding contracts. This new proposed plant is not dependent on getting CO<sub>2</sub> from AP's existing facility or the specific third party in this case. There are many places where AP could get the required feedstocks (CO<sub>2</sub>, O<sub>2</sub> and natural gas)."

### **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**

## 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 ..... September 2021
2. Estimated commencement of construction ..... March 2022
3. Beginning of qualifying time period (MM/DD/YYYY) ..... January 1, 2022
4. First year of limitation (YYYY) ..... January 1, 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 ..... November 2023

## 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 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):         | La Porte ISD; 100%; \$1.0397<br><small>(Name, tax rate and percent of project)</small>        | I&S (ISD):        | La Porte ISD; 100%; \$0.23000<br><small>(Name, tax rate and percent of project)</small>                  |
| County:            | Harris County; 100%; \$0.391160<br><small>(Name, tax rate and percent of project)</small>     | City:             | N/A; Harris County Education; 100%; \$0.004993<br><small>(Name, tax rate and percent of project)</small> |
| Hospital District: | Harris County Hosp.; 100%; \$0.1667<br><small>(Name, tax rate and percent of project)</small> | Water District:   | N/A; Harris County Flood; 100%; \$0.03142<br><small>(Name, tax rate and percent of project)</small>      |
| Other (describe):  | Port of Houston; 100%; \$0.00991<br><small>(Name, tax rate and percent of project)</small>    | Other (describe): | San Jacinto College; 100%; \$0.1693580<br><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



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AIR PRODUCTS LLC

## Chapter 313 Application La Porte ISD

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### TAB 5

*Documentation to assist in determining if limitation is a determining factor.*

Founded in 1940, for over 80 years Air Products has built a reputation for its innovative culture, operational excellence and commitment to safety and the environment. Air Products is passionate, talented, and committed employees from diverse backgrounds are driven by Air Products' higher purpose to create innovative solutions that benefit the environment, enhance sustainability, and address the challenges facing customers, communities, and the world.

The proposed site for this project is on land owned by Praxair at its existing facility in La Porte, Texas where the company currently has other business activity. A non-binding letter of intent to supply was signed with a prospective customer. The letter of intent is non-binding and does not require the facility to be located at this site.

Air Products is the global leader in the supply of liquefied natural gas process technology and equipment. The Company develops, engineers, builds, owns, and operates some of the world's largest industrial gas projects, including gasification projects that sustainably convert abundant natural resources into syngas to produce high-value power, fuels, and chemicals; carbon capture projects; and world-scale carbon-free hydrogen projects supporting global transportation and the energy transition.

Air Products touches the lives of consumers around the globe in positive ways every day. With approximately 19,000 employees and operations in 50 countries, we serve customers across a wide range of industries from food and beverage to medical, energy and transportation. We supply a unique portfolio of atmospheric and process gases, equipment and services for energy, environment, and emerging markets. Air Products presence around the world through its design and installation is more than 750 production facilities and over 1,800 miles of industrial pipelines allows us to serve over 30 different types of industries.

Air Products vast footprint enables this project to be built and installed in our Gulf Coast pipeline network that runs from Texas to Alabama.

In summary, the ultimate determination for capital investment in a particular country or state depends on the project economics. In the case of the investment on this proposed project in Texas, the decision will be based on a number of 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 and a determining factor for investment in Texas. The domestic and global industrial gas market is very competitive. Without the Chapter 313 value limitation, siting the project



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in Texas is less attractive. In the current capital constrained environment, the economics of each project are challenged against each other and only the best will have a chance to happen.



# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

# Air Products to Build World-Scale Liquid Hydrogen Plant at its La Porte, Texas Facility

New Liquid Hydrogen Capacity Needed to Meet Increasing Market Demand

NEWS PROVIDED BY

**Air Products** →

Sep 11, 2018, 11:00 ET

SHARE THIS ARTICLE



LEHIGH VALLEY, Pa., Sept. 11, 2018 /PRNewswire/ -- Air Products (NYSE: [APD](#)), the leading global hydrogen provider, today announced plans to build a new liquid hydrogen plant at its La Porte, Texas industrial gas facility to meet increasing product demand from several customer markets. The liquid hydrogen plant will produce approximately 30 tons per day, will draw its hydrogen to be liquefied from Air Products' existing Gulf Coast hydrogen pipeline system network, and is to be onstream in 2021.

"The investment in this new liquid hydrogen production facility in Texas will assist with meeting current customer demand, as well as capture the increased growth that we see coming from several markets. Logistically, our La Porte plant has several operational benefits which make the site selection for this new facility a good choice. We are confident with this additional capacity that we will be able to meet the projected growing liquid hydrogen needs coming from the varied industries in the United States for which a reliable source of this product is vitally important to our customers' manufacturing operations," said [Marie Ffolkes](#), president, Americas at Air Products.

Once liquefied at La Porte, the hydrogen will be delivered in trailers to customers in industries including: electronics, chemical and petrochemical, metals, material handling, float glass, edible fats and oils, and utilities. Air Products also has liquid hydrogen production plants operating in New Orleans, Louisiana; Sacramento, California; Sarnia, Ontario, Canada; and Rotterdam in The Netherlands.

The new facility at La Porte will join Air Products' existing hydrogen and syngas production operations, as well as an air separation unit. The liquid hydrogen plant will be connected to, and draw hydrogen from, Air Products' [Gulf Coast Pipeline](#) (GCP), the world's largest hydrogen plant and pipeline network system. The 600-mile pipeline span stretches from the Houston Ship Channel in Texas to New Orleans, Louisiana, and supplies customers with over 1.4 billion feet of hydrogen per day from 23 hydrogen production facilities.

[Pipelines](#) offer a safe, robust and reliable supply of hydrogen to industries around the world. Globally, Air Products' pipeline operational expertise is evidenced by its network of systems. Besides the GCP, Air Products also has a hydrogen pipeline in California in the U.S., in Sarnia, Ontario and Alberta, Canada, and in Rotterdam, the Netherlands.

**About Air Products**

Air Products (NYSE:APD) is a world-leading Industrial Gases company in operation for over 75 years. The Company's core industrial gases business provides atmospheric and process gases and related equipment to manufacturing markets, including refining and petrochemical, metals, electronics, and food and beverage. Air Products is also the world's leading supplier of liquefied natural gas process technology and equipment.

The Company had fiscal 2017 sales of \$8.2 billion from continuing operations in 50 countries and has a current market capitalization of about \$35 billion. Approximately 15,000 passionate, talented and committed employees from a diversity of backgrounds are driven by Air Products' higher purpose to create innovative solutions that benefit the environment, enhance sustainability and address the challenges facing customers, communities and the world. For more information, visit [www.airproducts.com](http://www.airproducts.com).

*NOTE: This release may contain forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's reasonable expectations and assumptions as of the date of this release regarding important risk factors. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including risk factors described in the company's Form 10K for its fiscal year ended September 30, 2017.*

SOURCE Air Products

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News

## Air Products plans to build liquid hydrogen plant in Texas, US

By NS Energy Staff Writer 13 Sep 2018

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Air Products has announced plans to construct a new liquid hydrogen plant at its La Porte, Texas industrial gas facility.



Image: Air Products' La Porte facility in Texas. Photo: courtesy of Air Products and Chemicals, Inc.

With capacity to produce approximately 30 tons per day, the new liquid hydrogen plant of Air Products is intended to meet increasing product demand from customer markets.

Scheduled to be commissioned in 2021, the liquid hydrogen plant will liquefy and deliver the resulting hydrogen in trailers to customers in industries including electronics, chemical and petrochemical, metals, material handling, float glass, edible fats and oils, and utilities.

The liquid hydrogen plant will receive hydrogen from Air Products' existing 600-mile Gulf Coast hydrogen pipeline system network.

The pipeline system stretches from the Houston Ship Channel in Texas to New Orleans, Louisiana. It supplies over 1.4 billion feet of hydrogen per day from 23 hydrogen production facilities to customers.

Air Products Americas president Marie Ffolkes said: "The investment in this new liquid hydrogen production facility in Texas will assist with meeting current customer demand, as well as capture the increased growth that we see coming from several markets.

"Logistically, our La Porte plant has several operational benefits which make the site selection for this new facility a good choice.

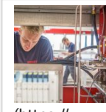
"We are confident with this additional capacity that we will be able to meet the projected growing liquid hydrogen needs coming from the varied industries in the United States for which a reliable source of this product is vitally important to our customers' manufacturing operations."

In addition to mile Gulf Coast pipeline, the firm operates hydrogen pipelines in California, US; Rotterdam, the Netherlands; and Samia, Ontario and Alberta, Canada.

Additionally, Air Products operates liquid hydrogen production plants in New Orleans, Louisiana; Sacramento, California; Samia, Ontario, Canada; and Rotterdam in The Netherlands.

Recently, Air Products has signed (<https://nsenergybusiness.com/news/air-products-chinas-hydrogen-infrastructure-development/>) cooperation and equipment supply agreements with Beijing Sinoscience Fullcryo Technology (Fullcryo) to accelerate the development of hydrogen infrastructure and support the development of commercial-scale liquid hydrogen-based fueling station in China.

As part of the deal, the two firms will cooperate from demonstration to commercialization, including construction, operation, maintenance, and gas supply for liquid hydrogen-based fueling stations.



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# New Hydrogen Plant to Serve CA's Growing Fuel Cell Vehicle Market

By **Betsy Lillian** - January 7, 2019

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Air Products has announced plans to build a second liquid hydrogen production facility in California to meet increasing product demand from several customer markets, including the growing fleet of hydrogen fuel cell vehicles in the state.

Project development work is already under way for the facility, which is scheduled to come onstream in the first quarter of 2021.

"Current customer demand for liquid hydrogen is driving the need for this new investment as we are experiencing growth from many traditional market segments, for which a reliable source of this product is vitally important," says Marie Ffolkes, Americas president at Air Products. "Additionally, this new capacity will be available for the steadily increasing demand from hydrogen fuel cell vehicles."

Liquified hydrogen is delivered in trailers to customers in industries including electronics, chemical and petrochemical, metals, material handling, float glass, edible fats and oils, and utilities, as well as to hydrogen fueling stations, where it is re-gasified for fueling hydrogen-powered fuel cell vehicles.

This is the second new liquid hydrogen plant in the U.S. that Air Products has announced in the past few months. In September, the company announced plans to build a new liquid hydrogen plant at its La Porte, Texas, facility, which will be supplied hydrogen from Air Products' Gulf Coast pipeline network. The La Porte project is also anticipated to be onstream in 2021. Air Products has existing liquid hydrogen production assets operating in New Orleans and Sacramento; Sarnia, Ontario; and Rotterdam, The Netherlands.

"We are committed to meeting the product needs of our customer base, and as more and more hydrogen fuel cell vehicles are driven on the roads and highways of California, we will continue to evaluate additional capacity needs and make investments to meet demand," adds Ffolkes.