



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 28, 2022

Dr. Shannon Allen  
Superintendent  
Beaumont Independent School District  
3395 Harrison Ave  
Beaumont, Texas 77706

Re: Certificate for Limitation on Appraised Value of Property for School District  
Maintenance and Operations taxes by and between Beaumont Independent School  
District and Linde Inc., Application 2083

Dear Superintendent Allen:

On September 2, 2022, the Comptroller issued written notice that Linde Inc. (applicant) submitted a completed application (Application 2083) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on June 16, 2022, to the Beaumont Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

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

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

Sec. 313.024(d-2) Not applicable to Application 2083.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

### **Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

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

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by **December 31, 2022**.

Note that any building or improvement existing as of the application review start date of September 2, 2022, 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 Linde Inc. (project) applying to Beaumont 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 Linde Inc..

Applicant	Linde Inc.
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Beaumont ISD
2020-2021 Average Daily Attendance	14,744
County	Jefferson
Proposed Total Investment in District	\$1,020,000,000
Proposed Qualified Investment	\$765,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2024-2025
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	\$969.35
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)( B)	\$969.37
Minimum annual wage committed to by applicant for qualified jobs	\$50,407
Minimum weekly wage required for non-qualifying jobs	\$1,173.75
Minimum annual wage required for non-qualifying jobs	\$61,035
Investment per Qualifying Job	\$102,000,000
Estimated M&O levy without any limit (15 years)	\$86,324,010
Estimated M&O levy with Limitation (15 years)	\$24,775,778
Estimated gross M&O tax benefit (15 years)	\$61,548,232

**Table 2** is the estimated statewide economic impact of Linde Inc. (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2023	600	1,498	2098	\$31,500,000	\$120,600,000	\$152,100,000
2024	600	1,713	2313	\$31,500,000	\$153,440,000	\$184,940,000
2025	600	2,279	2879	\$31,500,000	\$212,150,000	\$243,650,000
2026	10	187	197	\$504,070	\$49,665,930	\$50,170,000
2027	10	56	66	\$504,070	\$31,965,930	\$32,470,000
2028	10	(22)	-12	\$504,070	\$19,275,930	\$19,780,000
2029	10	(51)	-41	\$504,070	\$11,945,930	\$12,450,000
2030	10	(57)	-47	\$504,070	\$7,065,930	\$7,570,000
2031	10	(49)	-39	\$504,070	\$5,355,930	\$5,860,000
2032	10	(24)	-14	\$504,070	\$5,595,930	\$6,100,000
2033	10	(2)	8	\$504,070	\$6,085,930	\$6,590,000
2034	10	6	16	\$504,070	\$6,575,930	\$7,080,000
2035	10	23	33	\$504,070	\$7,795,930	\$8,300,000
2036	10	37	47	\$504,070	\$9,265,930	\$9,770,000
2037	10	51	61	\$504,070	\$11,215,930	\$11,720,000

Source: CPA REMI, Linde Inc.

**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		Beaumont ISD I&S Tax Levy	Beaumont ISD M&O Tax Levy	Beaumont ISD M&O and I&S Tax Levies	Jefferson County Tax Levy	Port of Beaumont Tax Levy	Sabine Neches Nav Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2526	0.9089		0.3632	0.1090	0.0921	
2024	\$127,500,000	\$127,500,000		\$322,078	\$1,158,848	\$1,480,925	\$463,055	\$138,975	\$117,389	\$2,200,344
2025	\$280,000,000	\$280,000,000		\$707,308	\$2,544,920	\$3,252,228	\$1,016,904	\$305,200	\$257,796	\$4,832,128
2026	\$959,310,000	\$959,310,000		\$2,423,313	\$8,719,169	\$11,142,482	\$3,484,022	\$1,045,648	\$883,237	\$16,555,388
2027	\$892,158,300	\$892,158,300		\$2,253,681	\$8,108,827	\$10,362,508	\$3,240,141	\$972,453	\$821,410	\$15,396,511
2028	\$829,707,219	\$829,707,219		\$2,095,923	\$7,541,209	\$9,637,132	\$3,013,331	\$904,381	\$763,911	\$14,318,755
2029	\$771,627,714	\$771,627,714		\$1,949,209	\$7,013,324	\$8,962,533	\$2,802,398	\$841,074	\$710,438	\$13,316,442
2030	\$717,613,774	\$717,613,774		\$1,812,764	\$6,522,392	\$8,335,156	\$2,606,230	\$782,199	\$660,707	\$12,384,291
2031	\$667,380,810	\$667,380,810		\$1,685,871	\$6,065,824	\$7,751,695	\$2,423,794	\$727,445	\$614,458	\$11,517,391
2032	\$620,664,153	\$620,664,153		\$1,567,860	\$5,641,216	\$7,209,076	\$2,254,128	\$676,524	\$571,445	\$10,711,174
2033	\$577,217,662	\$577,217,662		\$1,458,110	\$5,246,331	\$6,704,441	\$2,096,339	\$629,167	\$531,444	\$9,961,392
2034	\$536,812,426	\$536,812,426		\$1,356,042	\$4,879,088	\$6,235,130	\$1,949,595	\$585,126	\$494,243	\$9,264,094
2035	\$499,235,556	\$499,235,556		\$1,261,119	\$4,537,552	\$5,798,671	\$1,813,124	\$544,167	\$459,646	\$8,615,608
2036	\$464,289,067	\$464,289,067		\$1,172,841	\$4,219,923	\$5,392,764	\$1,686,205	\$506,075	\$427,471	\$8,012,515
2037	\$431,788,832	\$431,788,832		\$1,090,742	\$3,924,529	\$5,015,270	\$1,568,171	\$470,650	\$397,548	\$7,451,639
2038	\$401,563,614	\$401,563,614		\$1,014,390	\$3,649,812	\$4,664,202	\$1,458,399	\$437,704	\$369,720	\$6,930,024
2039	\$373,454,161	\$373,454,161		\$943,383	\$3,394,325	\$4,337,707	\$1,356,311	\$407,065	\$343,839	\$6,444,923
2040	\$347,312,370	\$347,312,370		\$877,346	\$3,156,722	\$4,034,068	\$1,261,369	\$378,570	\$319,770	\$5,993,778
			Total	\$23,991,977	\$86,324,010	\$110,315,988	\$34,493,513	\$10,352,423	\$8,744,473	\$163,906,397

Source: CPA, Linde Inc.

\*Tax Rate per \$100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Beaumont ISD I&S Tax Levy	Beaumont ISD M&O Tax Levy	Beaumont ISD M&O and I&S Tax Levies	Jefferson County Tax Levy	Port of Beaumont Tax Levy	Sabine Neches Nav Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2526	0.9089		0.3632	0.1090	0.0921	
2024	\$127,500,000	\$127,500,000		\$322,078	\$1,158,848	\$1,480,925	\$463,055	\$138,975	\$117,389	\$2,200,344
2025	\$280,000,000	\$280,000,000		\$707,308	\$2,544,920	\$3,252,228	\$1,016,904	\$305,200	\$257,796	\$4,832,128
2026	\$959,310,000	\$30,000,000		\$2,423,313	\$272,670	\$2,695,983	\$3,484,022	\$1,045,648	\$883,237	\$8,108,890
2027	\$892,158,300	\$30,000,000		\$2,253,681	\$272,670	\$2,526,351	\$3,240,141	\$972,453	\$821,410	\$7,560,354
2028	\$829,707,219	\$30,000,000		\$2,095,923	\$272,670	\$2,368,593	\$3,013,331	\$904,381	\$763,911	\$7,050,216
2029	\$771,627,714	\$30,000,000		\$1,949,209	\$272,670	\$2,221,879	\$2,802,398	\$841,074	\$710,438	\$6,575,788
2030	\$717,613,774	\$30,000,000		\$1,812,764	\$272,670	\$2,085,434	\$2,606,230	\$782,199	\$660,707	\$6,134,570
2031	\$667,380,810	\$30,000,000		\$1,685,871	\$272,670	\$1,958,541	\$2,423,794	\$727,445	\$614,458	\$5,724,237
2032	\$620,664,153	\$30,000,000		\$1,567,860	\$272,670	\$1,840,530	\$2,254,128	\$676,524	\$571,445	\$5,342,627
2033	\$577,217,662	\$30,000,000		\$1,458,110	\$272,670	\$1,730,780	\$2,096,339	\$629,167	\$531,444	\$4,987,730
2034	\$536,812,426	\$30,000,000		\$1,356,042	\$272,670	\$1,628,712	\$1,949,595	\$585,126	\$494,243	\$4,657,676
2035	\$499,235,556	\$30,000,000		\$1,261,119	\$272,670	\$1,533,789	\$1,813,124	\$544,167	\$459,646	\$4,350,726
2036	\$464,289,067	\$464,289,067		\$1,172,841	\$4,219,923	\$5,392,764	\$1,686,205	\$506,075	\$427,471	\$8,012,515
2037	\$431,788,832	\$431,788,832		\$1,090,742	\$3,924,529	\$5,015,270	\$1,568,171	\$470,650	\$397,548	\$7,451,639
2038	\$401,563,614	\$401,563,614		\$1,014,390	\$3,649,812	\$4,664,202	\$1,458,399	\$437,704	\$369,720	\$6,930,024
2039	\$373,454,161	\$373,454,161		\$943,383	\$3,394,325	\$4,337,707	\$1,356,311	\$407,065	\$343,839	\$6,444,923
2040	\$347,312,370	\$347,312,370		\$877,346	\$3,156,722	\$4,034,068	\$1,261,369	\$378,570	\$319,770	\$5,993,778
			Total	\$23,991,977	\$24,775,778	\$48,767,756	\$34,493,513	\$10,352,423	\$8,744,473	\$102,358,165
			Diff	\$0	\$61,548,232	\$61,548,232	\$0	\$0	\$0	\$61,548,232
Assumes School Value Limitation.										

Source: CPA, Linde Inc.  
\*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 Linde Inc. (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 and direct, indirect and induced tax effects from project employment 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>	2023	\$0	\$0	\$0	\$0
	2024	\$1,158,848	\$1,158,848	\$0	\$0
	2025	\$2,544,920	\$3,703,768	\$0	\$0
<b>Limitation Period (10 Years)</b>	2026	\$272,670	\$3,976,438	\$8,446,499	\$8,446,499
	2027	\$272,670	\$4,249,108	\$7,836,157	\$16,282,655
	2028	\$272,670	\$4,521,778	\$7,268,539	\$23,551,194
	2029	\$272,670	\$4,794,448	\$6,740,654	\$30,291,849
	2030	\$272,670	\$5,067,118	\$6,249,722	\$36,541,570
	2031	\$272,670	\$5,339,788	\$5,793,154	\$42,334,724
	2032	\$272,670	\$5,612,458	\$5,368,546	\$47,703,271
	2033	\$272,670	\$5,885,128	\$4,973,661	\$52,676,932
	2034	\$272,670	\$6,157,798	\$4,606,418	\$57,283,350
	2035	\$272,670	\$6,430,468	\$4,264,882	\$61,548,232
<b>Maintain Viable Presence (5 Years)</b>	2036	\$4,219,923	\$10,650,391	\$0	\$61,548,232
	2037	\$3,924,529	\$14,574,920	\$0	\$61,548,232
	2038	\$3,649,812	\$18,224,731	\$0	\$61,548,232
	2039	\$3,394,325	\$21,619,056	\$0	\$61,548,232
	2040	\$3,156,722	\$24,775,778	\$0	\$61,548,232
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2041	\$2,935,752	\$27,711,530	\$0	\$61,548,232
	2042	\$2,730,249	\$30,441,779	\$0	\$61,548,232
	2043	\$2,539,132	\$32,980,910	\$0	\$61,548,232
	2044	\$2,361,392	\$35,342,303	\$0	\$61,548,232
	2045	\$2,196,095	\$37,538,398	\$0	\$61,548,232
	2046	\$2,042,368	\$39,580,766	\$0	\$61,548,232
	2047	\$1,899,402	\$41,480,168	\$0	\$61,548,232
	2048	\$1,766,444	\$43,246,612	\$0	\$61,548,232
	2049	\$1,642,793	\$44,889,406	\$0	\$61,548,232
	2050	\$1,527,798	\$46,417,203	\$0	\$61,548,232
		<b>\$46,417,203</b>	is less than	<b>\$61,548,232</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?					No
NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.					
Source: CPA, Linde Inc.					

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2023	600	1,498	2098	\$31,500,000	\$120,600,000	\$152,100,000	12150000	-3950000	\$16,100,000
2024	600	1,713	2313	\$31,500,000	\$153,440,000	\$184,940,000	14040000	-2780000	\$16,820,000
2025	600	2,279	2879	\$31,500,000	\$212,150,000	\$243,650,000	19210000	-2260000	\$21,470,000
2026	10	187	197	\$504,070	\$49,665,930	\$50,170,000	2200000	4710000	-\$2,510,000
2027	10	56	66	\$504,070	\$31,965,930	\$32,470,000	1710000	4580000	-\$2,870,000
2028	10	(22)	-12	\$504,070	\$19,275,930	\$19,780,000	1310000	4330000	-\$3,020,000
2029	10	(51)	-41	\$504,070	\$11,945,930	\$12,450,000	1080000	3990000	-\$2,910,000
2030	10	(57)	-47	\$504,070	\$7,065,930	\$7,570,000	870000	3610000	-\$2,740,000
2031	10	(49)	-39	\$504,070	\$5,355,930	\$5,860,000	790000	3210000	-\$2,420,000
2032	10	(24)	-14	\$504,070	\$5,595,930	\$6,100,000	770000	2820000	-\$2,050,000
2033	10	(2)	8	\$504,070	\$6,085,930	\$6,590,000	730000	2460000	-\$1,730,000
2034	10	6	16	\$504,070	\$6,575,930	\$7,080,000	570000	2190000	-\$1,620,000
2035	10	23	33	\$504,070	\$7,795,930	\$8,300,000	560000	1910000	-\$1,350,000
2036	10	37	47	\$504,070	\$9,265,930	\$9,770,000	560000	1650000	-\$1,090,000
2037	10	51	61	\$504,070	\$11,215,930	\$11,720,000	540000	1420000	-\$880,000
2038	10	58	68	\$504,070	\$13,895,930	\$14,400,000	550000	1270000	-\$720,000
2039	10	76	86	\$504,070	\$16,585,930	\$17,090,000	530000	1070000	-\$540,000
2040	10	80	90	\$504,070	\$17,315,930	\$17,820,000	530000	940000	-\$410,000
2041	10	84	94	\$504,070	\$19,025,930	\$19,530,000	530000	830000	-\$300,000
2042	10	90	100	\$504,070	\$20,975,930	\$21,480,000	610000	730000	-\$120,000
2043	10	92	102	\$504,070	\$23,425,930	\$23,930,000	700000	660000	\$40,000
2044	10	94	104	\$504,070	\$26,835,930	\$27,340,000	750000	650000	\$100,000
2046	10	97	107	\$504,070	\$26,355,930	\$26,860,000	720000	550000	\$170,000
2047	10	99	109	\$504,070	\$29,285,930	\$29,790,000	820000	560000	\$260,000
2048	10	105	115	\$504,070	\$32,695,930	\$33,200,000	870000	560000	\$310,000
2049	10	109	119	\$504,070	\$33,185,930	\$33,690,000	850000	500000	\$350,000
2050	10	107	117	\$504,070	\$35,135,930	\$35,640,000	890000	510000	\$380,000
2051	10	113	123	\$504,070	\$38,555,930	\$39,060,000	930000	470000	\$460,000
2052	10	113	123	\$504,070	\$40,995,930	\$41,500,000	990000	500000	\$490,000
						<b>Total</b>	<b>\$67,360,000</b>	<b>\$37,190,000</b>	<b>\$29,670,000</b>
							<b>\$76,087,203</b>	is greater than	<b>\$61,548,232</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

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 Linde Inc.’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 Linde Inc. in Tab 4 of their Application for a Limitation on Appraised Value:
  - A. “The proposed project consists of an Air Separation Units(“ASU”), an Auto Thermal Reactor (ATR) and carbon capture and sequestration facility for the manufacturing of hydrogen for merchant market.”
  - B. “The proposed Project is to build, install and operate the necessary industrial gases to support an ammonia manufacturing facility currently under consideration by OCI Chemicals.”
- Per Linde Inc. in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Linde Inc. (formerly known as Praxair) is a Fortune 500 company headquartered in Danbury, Connecticut.”
  - B. “Linde Inc’s pipeline complex allows it to have options for our investments. A variety of factors are considered in selecting site location, including the local pool of available skilled workers, costs for natural gas and ease of doing business as it relates to permitting and incentives to reduce risk in investments.”
  - C. “The applicant requires this appraised value limitation in order to move forward with the development of the project. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the project to compete for global customers against similar projects operated by competitors of Linde Inc. in the U.S. and around the world.”
  - D. “Without this appraised value limitation Praxair would have to strongly consider making this investment at another site outside of Texas. Approval of this Value limitation application allows us to extend our relationships in Texas and be a contributor to the state’s economic growth story.”

**Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value
- a) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

**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 2022
2. Estimated commencement of construction March 2023
3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2024
4. First year of limitation (YYYY) January 1, 2026
- 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 December 2025

## SECTION 10: The Property

1. County or counties in which the proposed project will be located Jefferson County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Jefferson CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
- |   |  |
|---|--|
| M&O (ISD): <u>Beaumont ISD; 100%; \$0.9089</u><br><small>(Name, tax rate and percent of project)</small>            | I&S (ISD): <u>Beaumont ISD; 100%; 0.25261</u><br><small>(Name, tax rate and percent of project)</small>                |
| County: <u>Jefferson County; 100%; \$0.363184</u><br><small>(Name, tax rate and percent of project)</small>         | City: <u>N/A</u><br><small>(Name, tax rate and percent of project)</small>   |
| Hospital District: <u>N/A</u><br><small>(Name, tax rate and percent of project)</small>                             | Water District: <u>N/A</u><br><small>(Name, tax rate and percent of project)</small>                                   |
| Other (describe): <u>Port of Beaumont; 100%; \$0.1090</u><br><small>(Name, tax rate and percent of project)</small> | Other (describe): <u>Sabine Neches Nav; 100%; \$0.092067</u><br><small>(Name, tax rate and percent of project)</small> |

## **Supporting Information**

Attachments provided in Tab 4  
of the Application for a  
Limitation on Appraised Value



## TAB 4

Detailed Description of the Project

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

The proposed project consists of an Air Separation Units ("ASU"), an Auto Thermal Reactor (ATR) and carbon capture and sequestration facility for the manufacturing of hydrogen for merchant market. The proposed Project is to build, install and operate the necessary industrial gases to support an ammonia manufacturing facility currently under consideration by OCI Chemicals.

All of the property for which the Applicant is seeking a limitation on appraised value will be located entirely in Beaumont ISD and owned by the Applicant.

Below is a list of the new major equipment comprising this plant as follows:

- Cryogenic storage tanks
- Compressors
- Heat exchangers
- Pumps
- Filters
- Insulation
- Electrical
- Switchgear
- Instrumentation equipment
- Control Equipment
- Industrial gas loading and unloading equipment and road works
- Industrial gas piping
- Site development/roads
- Utility piping, electrical substation modifications and water distribution
- Fired heater with NOx reduction system
- Catalyst-filled reactor vessels
- H2 purification equipment
- CO2 capture and compression equipment
- Steam drum and deaerator



- Cooling tower equipment
- Water clarification equipment
- Flare system
- Pumps
- Filters
- Transformers
- Instrument and structural foundation and supports
- Control Equipment
- Industrial gas piping
- In-Plant roads

Also included in this application are all of the associated concrete foundations, new pipe supports, new intra-plant piping, intra-plant conduit and connections, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.

## **Supporting Information**

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



## TAB 5

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

Linde Inc. (formerly known as Praxair) is a Fortune 500 company headquartered in Danbury, Connecticut. The company employs over 27,000 people worldwide and has key locations in Connecticut, Illinois, Indiana, New York, Texas, Georgia, Iowa, and California. It is a leading industrial gas producer in the Americas. Linde Inc. products include atmospheric, process and specialty gases and related services and technologies. Having diverse sources of industrial gases helps attract other businesses that rely on such products; supply of industrial gases is a critical utility for many businesses. We expect to sell to liquid customers too, including medical grade oxygen for hospitals, carbon dioxide for beverages, especially the growing craft beer movement in Texas and liquid nitrogen for food safety and fire suppression (among other uses). Oil and fracking also require significant industrial gasses. Today, Linde, Inc. Serves approximately 25 industries as diverse as healthcare and petroleum refining; computer-chip manufacturing and beverage carbonation; fiber-optics and steel making; aerospace, chemicals, and water treatment.

Linde Inc's pipeline complex allows it to have options for our investments. A variety of factors are considered in selecting site location, including the local pool of available skilled workers, costs for natural gas and ease of doing business as it relates to permitting and incentives to reduce risk in investments.

The applicant requires this appraised value limitation in order to move forward with the development of the project. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the project to compete for global customers against similar projects operated by competitors of Linde Inc. in the U.S. and around the world. Without this appraised value limitation Praxair would have to strongly consider making this investment at another site outside of Texas. Approval of this Value limitation application allows us to extend our relationships in Texas and be a contributor to the state's economic growth story.