

September 5, 2012

Mr. Robert Wood  
Director, Economic Development & Analysis  
Texas Comptroller of Public Accounts  
PO Box 13528  
Austin, TX 78711-3528

**Re: Oxiteno USA LLC – Chapter 313 Application to La Porte ISD**

Dear Mr. Wood,

As you know, the Oxiteno USA LLC application filed the subject application on July 24<sup>th</sup> and it was deemed complete by your office on August 1<sup>st</sup>. We have subsequently been requested to provide additional information regarding the ownership, employment, and production history of the plant.

**Ownership History:**

- Eisai U.S.A. purchased the 60 acres of land in Bayport and build the plant in 1996.
- Old World Industries acquired the plant from Eisai in June 2003.
- Oxiteno acquired the plant in April 2012 from Old World Industries.

**Production and Employment History:**

- Eisai U.S.A. began operation in June of 1998. The plant had an annual design capacity of 1,500 tons of vitamin E. Eisai produced the vitamin August of 2001 when it was shut down and ceased all production operations. Per business journal articles, it appears the plant had 42 employees, the majority which were laid off at this time.
- Old World Industries acquired the plant with plans to convert it to produce chemicals used in production of anti-freeze. To our knowledge, no production occurred as the plant was never actually converted, as envisioned, to produce these chemicals. We do not have employment history during their years of ownership, however there were 7-8 employees working at the facility at the time of Oxiteno's acquisition, consisting of maintenance, sales, lab, and office positions.
- Oxiteno USA LLC, in Phase One of their development, plans to convert and expand the plant to produce surfactants. This conversion is currently underway and is expected to be completed in the first quarter of 2013. Construction on Phase Two is expected to begin in 2013 where Oxiteno will construct two Ethoxylate Units and a Fatty Alcohol/Acid Unit. Please refer to attachment 4 in their application for further details. Oxiteno has already begun the hiring of new employees at the site, and project their employment to reach 65 by 2015.

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As you are aware, Oxiteno's construction engineer has identified and isolated those expenditures for repair, refurbishment, and reconditioning of preexisting expenditures. These expenditures have been deducted from the attached revised Schedule A.

We trust this additional information is sufficient for your application review and future positive recommendation. Please do not hesitate to call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "J. Weston Jackson". The signature is written in a cursive style and ends with a long horizontal flourish.

J. Weston Jackson  
*Partner*

Enclosures

(Revised & Amended) Schedule A (Rev. May 2010): Investment

Applicant Name  
 OXITENO USA LLC  
 ISD Name  
 La Porte ISD

Form 50-296

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B (during the qualifying time period)	Column D: Other investment that is not qualified investing but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)  Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)  Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)  Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)  Complete tax years of qualifying time period  Value Limitation Period  Continue to Maintain Viable Presence  Post-Settle-Up Period  Post-Settle-Up Period	2012-2013	2012	\$ 28,656,130	\$ 465,400		15,000,000.00	\$ 15,000,000.00		
	2013-2014	2013	\$ 46,455,000	\$ 920,000	\$ 47,375,000		\$ 47,375,000.00		
	2014-2015	2014	\$ 17,435,000	\$ 465,000	\$ 17,900,000		\$ 17,900,000.00		
	2015-2016	2015							
	2016-2017	2016							
	2017-2018	2017							
	2018-2019	2018							
	2019-2020	2019							
	2020-2021	2020							
	2021-2022	2021							
	2022-2023	2022							
	2023-2024	2023							
	2024-2025	2024							
	2025-2026	2025							
	2026-2027	2026							
2027-2028	2027								

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.  
 Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).  
 Column B: For the purposes of investment, please list amount invested each year, not cumulative totals.  
 Column C: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.  
 Column D: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).  
 Column E: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.  
 Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.  
 Note: The most significant example for many projects would be land. Other examples may be items such as professional services, etc.  
 Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.  
 Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.  
 This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Signature of Authorized Company Representative: *Maria Jodhita Mattson*  
 DATE: 9/5/12

Schedule B (Rev. May 2010): Estimated Market And Taxable Value  
 OXITENO USA LLC

La Porte ISD

Form 50-296

Applicant Name ISD Name	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	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 building or 'in or on the new improvement'		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
	pre- year 1	2012-2013	2012	\$ 3,165,287	\$ -	\$ -	\$ -	\$ 3,165,287	\$ 3,165,287
	1	2013-2014	2013	\$ 3,165,287	\$ 309,890	\$ 15,184,135	\$ 852,200	\$ 17,807,112	\$ 17,807,112
	2	2014-2015	2014	\$ 3,165,287	\$ 1,195,100	\$ 58,559,900	\$ 3,286,500	\$ 59,633,787	\$ 59,633,787
	3	2015-2016	2015	\$ 3,165,287	\$ 1,814,500	\$ 88,910,500	\$ 4,989,900	\$ 88,900,387	\$ 30,000,000
	4	2016-2017	2016	\$ 3,165,287	\$ 1,751,000	\$ 86,243,200	\$ 4,839,700	\$ 86,319,787	\$ 30,000,000
	5	2017-2018	2017	\$ 3,165,287	\$ 1,689,700	\$ 83,655,900	\$ 4,694,000	\$ 83,816,887	\$ 30,000,000
	6	2018-2019	2018	\$ 3,165,287	\$ 1,630,600	\$ 81,146,200	\$ 4,552,700	\$ 81,389,387	\$ 30,000,000
	7	2019-2020	2019	\$ 3,165,287	\$ 1,573,500	\$ 76,277,400	\$ 4,281,800	\$ 76,734,387	\$ 30,000,000
	8	2020-2021	2020	\$ 3,165,287	\$ 1,518,400	\$ 71,700,800	\$ 4,027,100	\$ 72,357,387	\$ 30,000,000
	9	2021-2022	2021	\$ 3,165,287	\$ 1,465,300	\$ 67,398,800	\$ 3,787,500	\$ 68,241,887	\$ 30,000,000
	10	2022-2023	2022	\$ 3,165,287	\$ 1,414,000	\$ 63,354,900	\$ 3,562,300	\$ 64,371,887	\$ 30,000,000
	11	2023-2024	2023	\$ 3,165,287	\$ 1,364,500	\$ 59,553,600	\$ 3,350,500	\$ 60,732,887	\$ 60,732,887
	12	2024-2025	2024	\$ 3,165,287	\$ 1,316,700	\$ 55,980,400	\$ 3,151,300	\$ 57,311,087	\$ 57,311,087
	13	2025-2026	2025	\$ 3,165,287	\$ 1,270,600	\$ 52,621,600	\$ 2,964,100	\$ 54,093,387	\$ 54,093,387
	14	2026-2027	2026	\$ 3,165,287	\$ 1,226,100	\$ 49,464,300	\$ 2,788,000	\$ 51,067,687	\$ 51,067,687
	15	2027-2028	2027	\$ 3,165,287	\$ 1,183,200	\$ 46,496,400	\$ 2,622,400	\$ 48,222,487	\$ 48,222,487

**Wes Jackson:**  
 This figure does not include any portion of the acquisition price attributable to buildings, personal property, and intangibles

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

*Mario J. Schmitt*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

9/5/12

DATE