

**HENSLEE  
SCHWARTZ** LLP  
**A T T O R N E Y S   A T   L A W**

2700 VIA FORTUNA  
SUITE 100  
AUSTIN, TEXAS 78746

AUSTIN • DALLAS • FT. WORTH • HOUSTON • SAN ANTONIO

PHONE: (512) 708-1804  
TOLL FREE: (800) 969-7444  
FAX: (512) 708-9037

**JEFFREY D. JANOTA**  
Partner  
jjanota@hensleeschwartz.com

April 16, 2013

Local Government Assistance & Economic Analysis  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

RE: Application to the La Porte Independent School District from Celanese Corporation

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the Application for review to the Comptroller's Office, the La Porte Independent School District is notifying the Applicant Celanese Corporation of its intent to consider the Application for Appraised Value Limitation on Qualified Property. The Applicant submitted the Application to the school district on April 9, 2013. The Board voted to accept the application on April 9, 2013. The Application was determined completed on April 9, 2013 Please prepare the economic impact report.

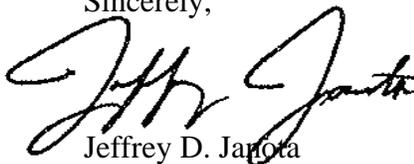
We have confirmed with the Applicant that the signature on the notarized page is the signature of the authorized business representative.

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application.

A paper copy of the Application is being hand delivered to your office today. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Harris County Appraisal District.

Please feel free to contact me with questions.

Sincerely,



Jeffrey D. Janota

**HENSLEE SCHWARTZ LLP**  
Texas Comptroller of Public Accounts  
April 16, 2013  
Page 2

cc: **Certified Mail, R.R.R**  
Chief Appraiser  
Harris County Appraisal District  
13013 Northwest Freeway  
Houston, Texas 77040

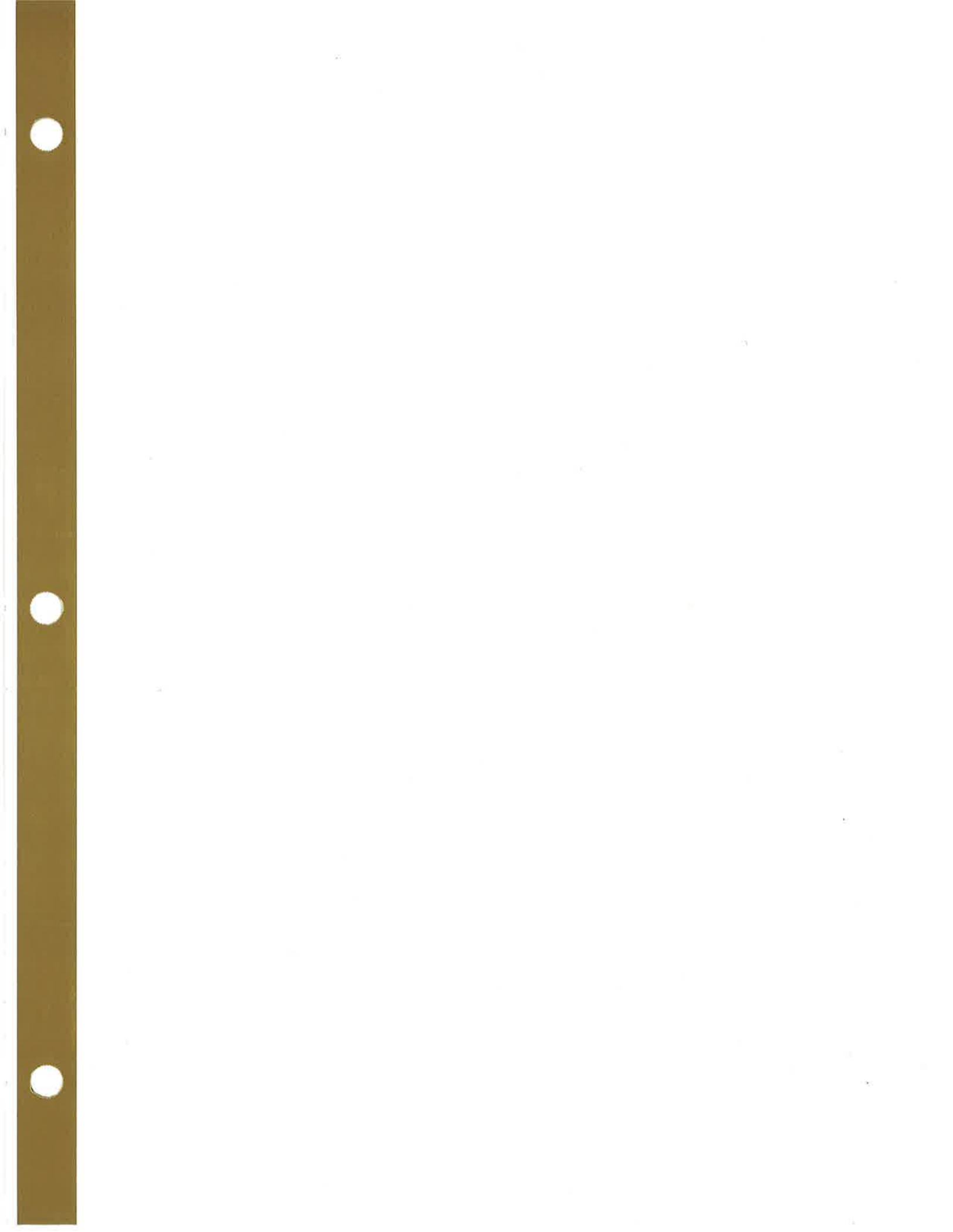
Lloyd Graham  
Superintendent  
La Porte ISD  
1002 San Jacinto St.  
La Porte, Texas 77571

George Francis  
Director  
Deloitte Credits & Incentives Practice  
2200 Ross Ave., Ste. 1600  
Dallas, Texas 75201

**APPLICATION FOR APPRAISED VALUE  
LIMITATION ON QUALIFIED PROPERTY**

**SUBMITTED TO  
LA PORTE ISD**

**CELANESE LTD.**





# Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

**Form 50-296**  
(Revised May 2010)

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.  
This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. 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, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

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. 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, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Date application received by district

4/9/13

### Authorized School District Representative

First Name

Lloyd

Last Name

Graham

Title

Superintendent

School District Name

La Porte Independent School District

Street Address

Mailing Address

1002 San Jacinto St.

City

La Porte

State

TX

ZIP

77571

Phone Number

281-604-7000

Fax Number

281-604-7010

Mobile Number (optional)

E-mail Address

lwgraham@lpsd.org

I authorize the consultant to provide and obtain information related to this application.....  Yes  No

Will consultant be primary contact? .....  Yes  No

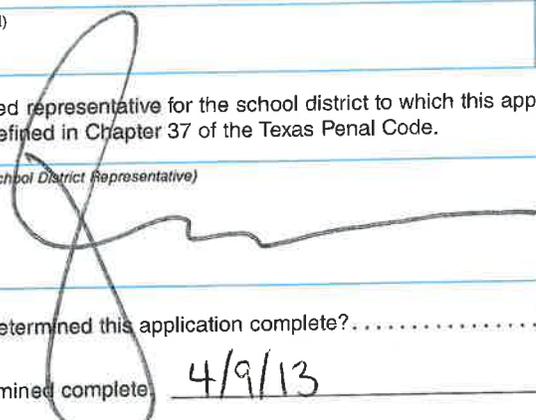


SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name <b>Jeffrey</b>	Last Name <b>Janota</b>	
Title <b>Partner</b>		
Firm Name <b>Henslee Schwartz LLP</b>		
Street Address <b>2700 Via Fortuna Suite 100</b>		
Mailing Address <b>2700 Via Fortuna Suite 100</b>		
City <b>Austin</b>	State <b>TX</b>	ZIP <b>78746</b>
Phone Number <b>512-708-1804</b>	Fax Number <b>512-708-9037</b>	
Mobile Number (Optional)	E-mail Address <b>jjanota@hensleeschwartz.com</b>	

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.

Signature (Authorized School District Representative) 	Date <b>09 Apr 13</b>
---	--------------------------

Has the district determined this application complete? .....  Yes  No

If yes, date determined complete: 4/9/13

Have you completed the school finance documents required by TAC 9.1054(c)(3)? .....  Yes  No

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Date application received by the ISD	1 of 16	✓
2	Certification page signed and dated by authorized school district representative	2 of 16	✓
3	Date application deemed complete by ISD	2 of 16	✓
4	Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	✓
5	Completed company checklist	12 of 16	✓
6	School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	✓



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name <b>Ronnie</b>		Last Name <b>Berry</b>	
Title <b>Vice President</b>			
Organization <b>Celanese Ltd.</b>			
Street Address <b>222 W. Las Colinas Blvd.</b>			
Mailing Address <b>222 W. Las Colinas Blvd.</b>			
City <b>Irving</b>		State <b>TX</b>	ZIP <b>75039</b>
Phone Number <b>972-443-3061</b>		Fax Number	
Mobile Number (optional)		Business e-mail Address <b>ronnie.berry@celanese.com</b>	

Will a company official other than the authorized business representative be responsible for responding to future information requests?  Yes  No

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

First Name <b>Kyle</b>		Last Name <b>Redinger</b>	
Title <b>Senior Manager</b>			
Organization <b>Celanese Corporation</b>			
Street Address <b>222 W. Las Colinas Blvd.</b>			
Mailing Address <b>222 W. Las Colinas Blvd.</b>			
City <b>Irving</b>		State <b>TX</b>	ZIP <b>75039</b>
Phone Number <b>972-443-3902</b>		Fax Number	
Mobile Number (optional)		E-mail Address <b>kyle.redinger@celanese.com</b>	

I authorize the consultant to provide and obtain information related to this application...  Yes  No

Will consultant be primary contact?  Yes  No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

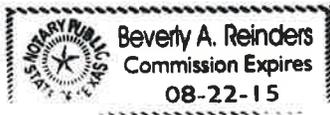
First Name <b>George</b>	Last Name <b>Francis</b>	
Title <b>Director</b>		
Firm Name <b>Deloitte Tax LLP</b>		
Street Address <b>2200 Ross Ave., Suite 1600</b>		
Mailing Address <b>2200 Ross Ave., Suite 1600</b>		
City <b>Dallas</b>	State <b>TX</b>	ZIP <b>75201</b>
Phone Number <b>214-840-1698</b>	Fax Number <b>214-880-5326</b>	
Business email Address <b>gfrancis@deloitte.com</b>		

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 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.

Signature (Authorized Business Representative (Applicant)) <i>Ronnie Berry</i>	Date <b>4/04/2013</b>
---	--------------------------

GIVEN under my hand and seal of office this 8<sup>th</sup> day of April, 2013



(Notary Seal)

*Beverly A. Reinders*  
Notary Public, State of Texas

My commission expires 08-22-15

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 § 37.10.



FEES AND PAYMENTS

Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "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.

Please answer only either A OR B:

A. 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)?

B. 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)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Celanese Ltd.

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

17526225267

NAICS code

325199

Is the applicant a party to any other Chapter 313 agreements?

If yes, please list name of school district and year of agreement.

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State?

Identify business organization of applicant (corporation, limited liability corporation, etc.)

Corporation

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?

2. Is the applicant current on all tax payments due to the State of Texas?

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

**ELIGIBILITY UNDER TAX CODE CHAPTER 313.024**

- Are you an entity to which Tax Code, Chapter 171 applies?  Yes  No
- The property will be used as an integral part, or as a necessary auxiliary part, in 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
- Are you requesting that any of the land be classified as qualified investment?  Yes  No
- Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
- Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
- Are you including property that is owned by a person other than the applicant?  Yes  No
- 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

**PROJECT DESCRIPTION**

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. (Use attachments as necessary)

**See Attachment 4.**

Describe the ability of your company to locate or relocate in another state or another region of the state.

**See Attachment 4-A.**

**PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)**

- New Jobs
- Construct New Facility
- New Business / Start-up
- Expand Existing Facility
- Relocation from Out-of-State
- Expansion
- Purchase Machinery & Equipment
- Consolidation
- Relocation within Texas

**PROJECTED TIMELINE**

Begin Construction Q3 2013      Begin Hiring New Employees Q4 2013

Construction Complete Q3 2015      Fully Operational Q3 2015

Purchase Machinery & Equipment Q4 2013

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?  Yes  No

**Note:** Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? Q4 2014

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
Texas Enterprise Zone Program	\$2,500,000
_____	_____
_____	_____
Total	\$2,500,000

Will other incentives be offered by local units of government?  Yes  No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

City of Pasadena Property Tax Abatement - approx value \$2.0M  
 Local Training Assistance - San Jacinto CC.

**THE PROPERTY**

Identify county or counties in which the proposed project will be located Harris

Central Appraisal District (CAD) that will be responsible for appraising the property Harris County Appraisal District

Will this CAD be acting on behalf of another CAD to appraise this property?  Yes  No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: Harris County (100%) City: City of Pasadena (100%)  
(Name and percent of project) (Name and percent of project)

Hospital District: Harris County (100%) Water District: \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Other (describe): La Porte ISD (100%) Other (describe): \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD?  Yes  No

If not, please provide additional information on the project scope and size to assist in the economic analysis.



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 rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? \$30 million

What is the amount of appraised value limitation for which you are applying? \$30 million

What is your total estimated qualified investment? \$585,000,000

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? August 2013

What is the anticipated date of the beginning of the qualifying time period? August 2014

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$661,000,000

Describe the qualified investment.[See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] Yes [ ] No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

(1) in or on the new building or other new improvement for which you are applying? [X] Yes [ ] No

(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? [X] Yes [ ] No

(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [ ] No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? [X] Yes [ ] No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? [X] Yes [ ] No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] Yes [ ] No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) 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,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
(3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

Is the land on which you propose new construction or 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? [X] Yes [ ] No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements?

Will the applicant own the land by the date of agreement execution? [X] Yes [ ] No

Will the project be on leased land? [ ] Yes [X] No



QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

- 1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? [X] Yes [ ] No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. 107,275,413 (Market Value) 2012 (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? [ ] Yes [X] No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? [X] Yes [ ] No

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 300

The last complete calendar quarter before application review start date is the:

[ ] First Quarter [X] Second Quarter [ ] Third Quarter [ ] Fourth Quarter of 2013 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? Celanese Ltd = 448 (statewide).

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application.

Total number of new jobs that will have been created when fully operational 30

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? [X] Yes [ ] No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? [ ] Yes [X] No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 24

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).

**WAGE AND EMPLOYMENT INFORMATION (CONTINUED)**

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,346  
 110% of the county average weekly wage for manufacturing jobs in the county is \$1,669  
 110% of the county average weekly wage for manufacturing jobs in the region is \$1,136

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

§313.021(5)(A) or  §313.021(5)(B) or  §313.021(3)(E)(ii), or  §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$59,082

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$60,000

- Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)?  Yes  No
  - Will each qualifying job require at least 1,600 of work a year?  Yes  No
  - Will any of the qualifying jobs be jobs transferred from one area of the state to another?  Yes  No
  - Will any of the qualifying jobs be retained jobs?  Yes  No
  - Will any of the qualifying jobs be created to replace a previous employee?  Yes  No
  - Will any required qualifying jobs be filled by employees of contractors?  Yes  No
- If yes, what percent? \_\_\_\_\_

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job?  Yes  No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

**See Attachment 15.**

**ECONOMIC IMPACT**

- Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)?  Yes  No
- Is Schedule A completed and signed for all years and attached?  Yes  No
- Is Schedule B completed and signed for all years and attached?  Yes  No
- Is Schedule C (Application) completed and signed for all years and attached?  Yes  No
- Is Schedule D completed and signed for all years and attached?  Yes  No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

**CONFIDENTIALITY NOTICE****Property Tax Limitation Agreement Applications  
Texas Government Code Chapter 313  
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

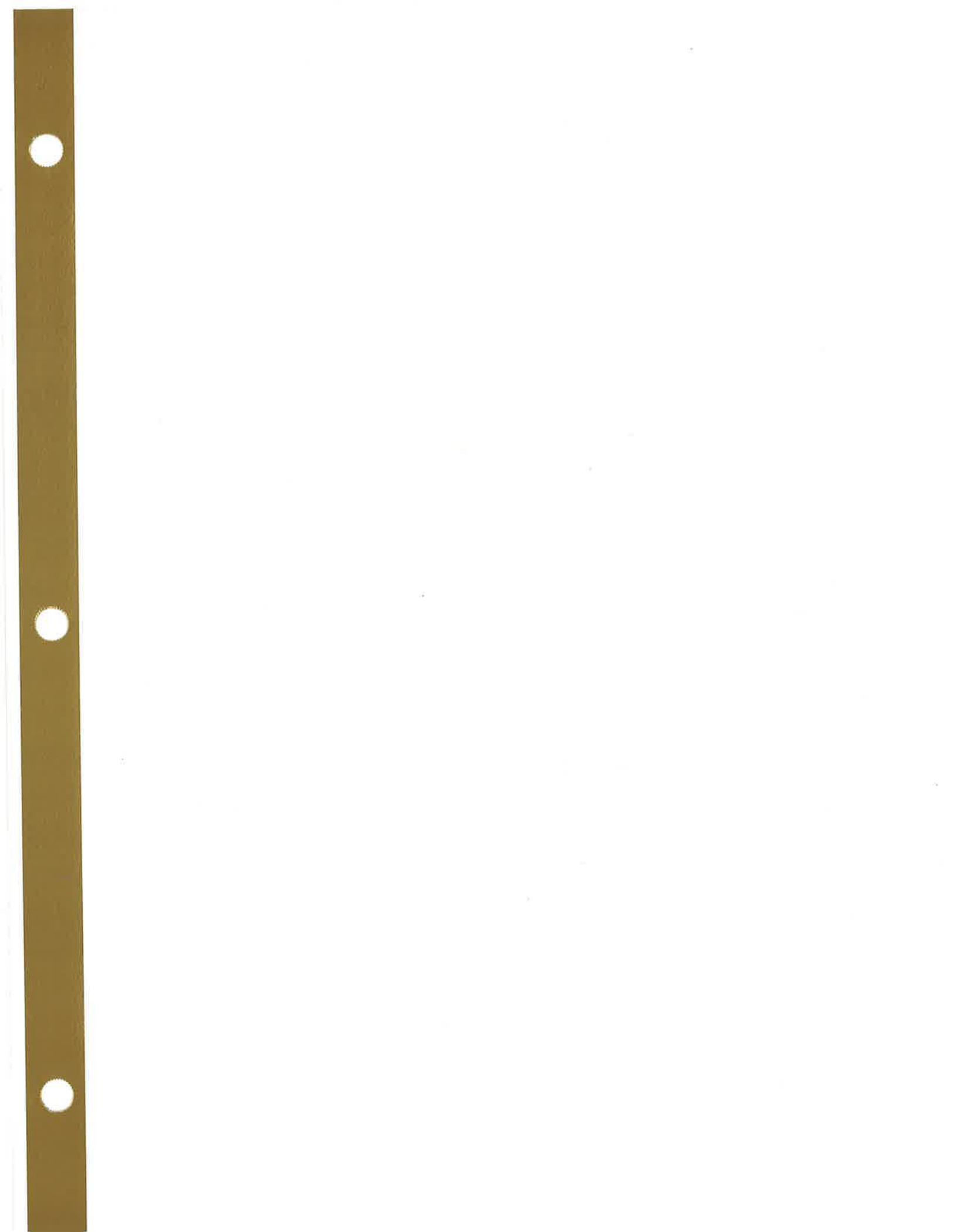
- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.



## COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	
2	Proof of Payment of Application Fee (Attachment)	5 of 16	
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	
4	Detailed description of the project	6 of 16	
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	
6	Description of Qualified Investment (Attachment)	8 of 16	
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	
8	Description of Qualified Property (Attachment)	8 of 16	
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	
10	Description of Land (Attachment)	9 of 16	
11	A detailed map showing location of the land with vicinity map.	9 of 16	
12	A description of all existing (if any) improvements (Attachment)	9 of 16	
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	
15	Description of Benefits	10 of 16	
16	Economic Impact (if applicable)	10 of 16	
17	Schedule A completed and signed	13 of 16	
18	Schedule B completed and signed	14 of 16	
19	Schedule C (Application) completed and signed	15 of 16	
20	Schedule D completed and signed	16 of 16	
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	

\*To be submitted with application or before date of final application approval by school board.

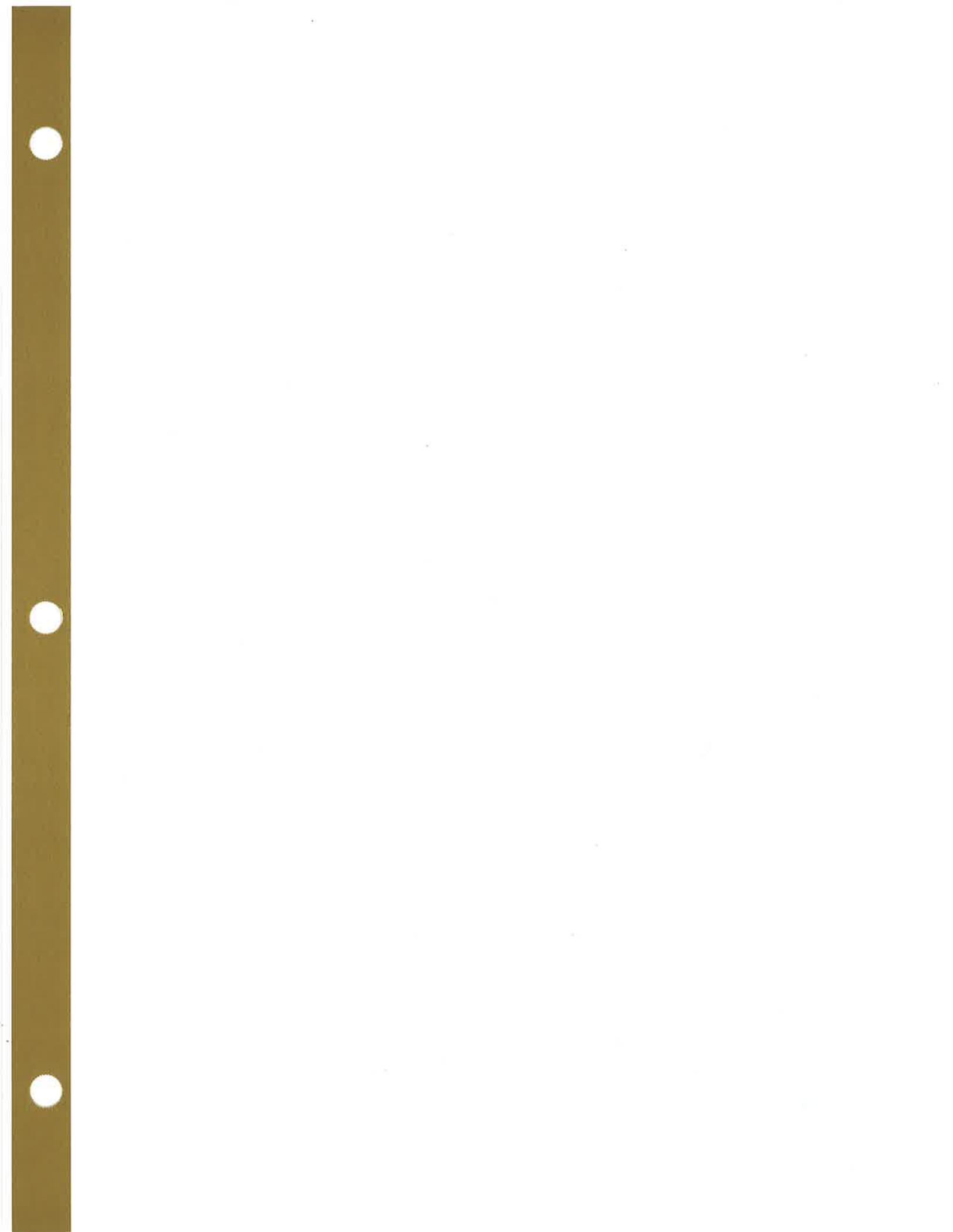


Attachment 2

Copy of Electronic Fund Transfer attached

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

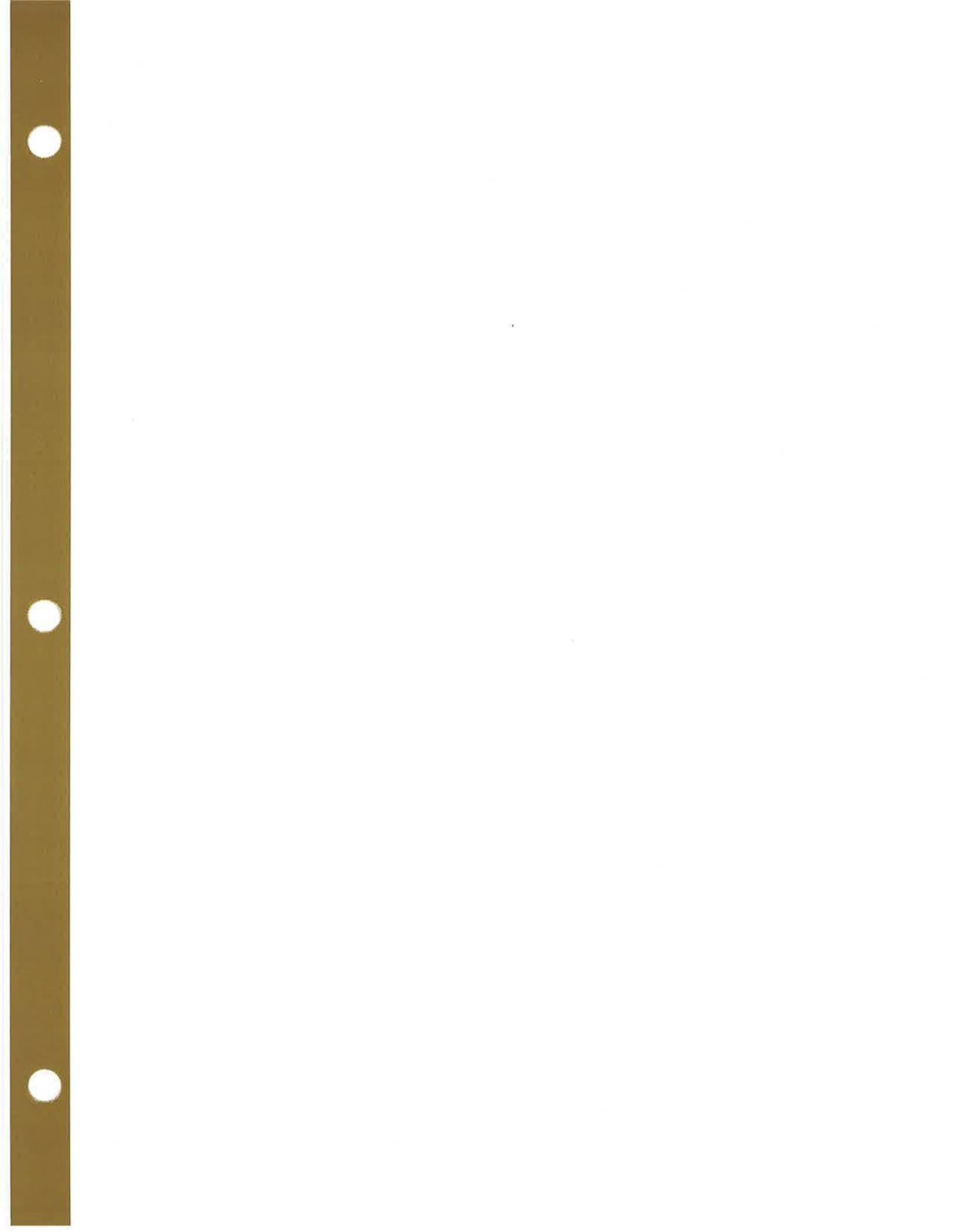
*(Page Inserted by Office of Texas Comptroller of Public  
Accounts)*



## Attachment 3

See attached documentation of combined group membership

<b>Legal Name of Affiliate</b>	<b>Affiliate's Federal Taxpayer Number</b>	<b>Affiliate's Texas Taxpayer Number</b>	<b>Affiliate's TX Webfile (if applicable)</b>
Celanese Corp	980420726	19804207264	XT972956
Celanese US Holdings LLC	201206848	32049631933	XT458703
Crystal US Sub 3 Corp	201628482		
Celanese International Corp	752622529	17526225291	
Celanese Chemicals Corp	132916623	32033579668	
Celanese Americas LLC	221862783	12218627839	
CNA Holdings LLC	135568434	11355684348	
Celanese Advanced Material Inc	562271700		
Celanese Fibers Operations Ltd	133373680		
Celtran Inc.	560818166	15608181663	
Celanese Acetate LLC	562051387	32017429559	
Amcel International Co Inc.	566024521		
Ticona LLC	223546190		
Ticona Fortron Inc.	223140276		
Ticona Polymers Inc.	133313358	11333133582	
US PET Film, Inc.	570943560		
Celanese Ltd	752622526	17526225267	
Celanese EVA Performance Polymers Corp	980101721	19801017211	
Celanese EVA Performance Polymers Inc.	980118220	19801182205	
Nurtinova Inc.	223538206		
Nurticapital Inc.	223724708		
KEP Americas Engineering Plastics LLC	223537574		
Celanese Global Relocation LLC	412243055		
CNA Funding LLC	223847453		
Celanese Ventures USA Inc	621800858		



## Attachment 4

The project to which this application pertains is a potential green field project to construct a new methanol production facility on the grounds of the existing Clear Lake site. The new plant would have an annual projected production capacity of 1.3 million metric tons. The facility would be located at 9502 Bayport Blvd., Pasadena, TX 77507. Celanese's current facility in Pasadena, located at the project site, employs approximately 300 people and produces Acetic Acid, Vinyl Acetate and Ethanol. Additionally, the facility hosts four other chemical companies operating at the site. This site also has a Research and Development facility that supports Celanese business on a global basis.

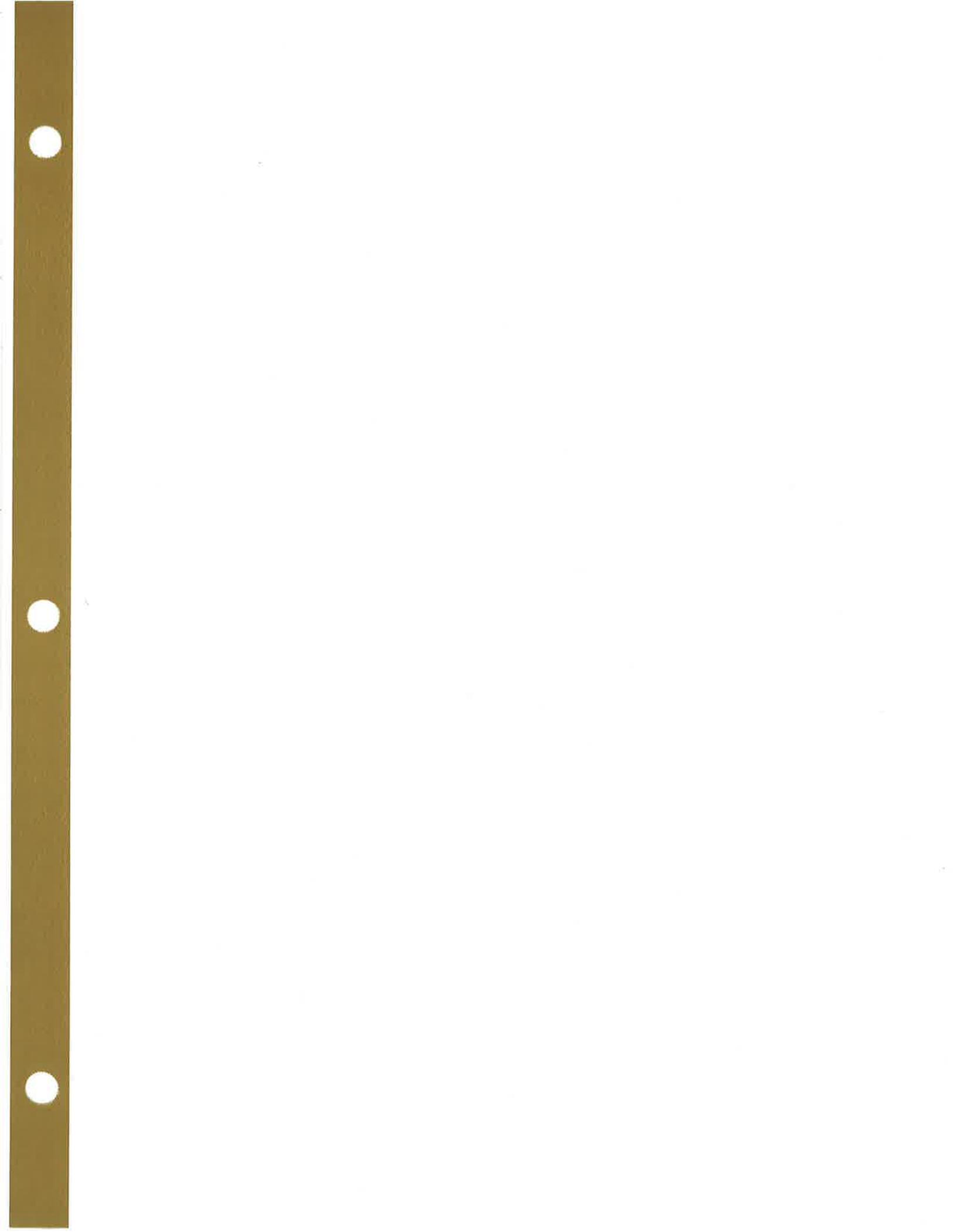
Celanese anticipates investments for construction of approximately \$661 million. This includes building and land costs of approximately \$100,000,000, machinery and equipment expenditures of approximately \$561,000,000.

# Attachment 4-A

## Attachment 4-A

Celanese Ltd is wholly owned by Celanese Corporation which is a global technology and specialty materials company that engineers and manufactures a wide variety of products essential to everyday living. As a recognized innovator in product and process technology in the chemicals industry, we help to create applications that meet the needs of our customers worldwide. Serving a diverse global customer base, Celanese has 27 major facilities located around the world.

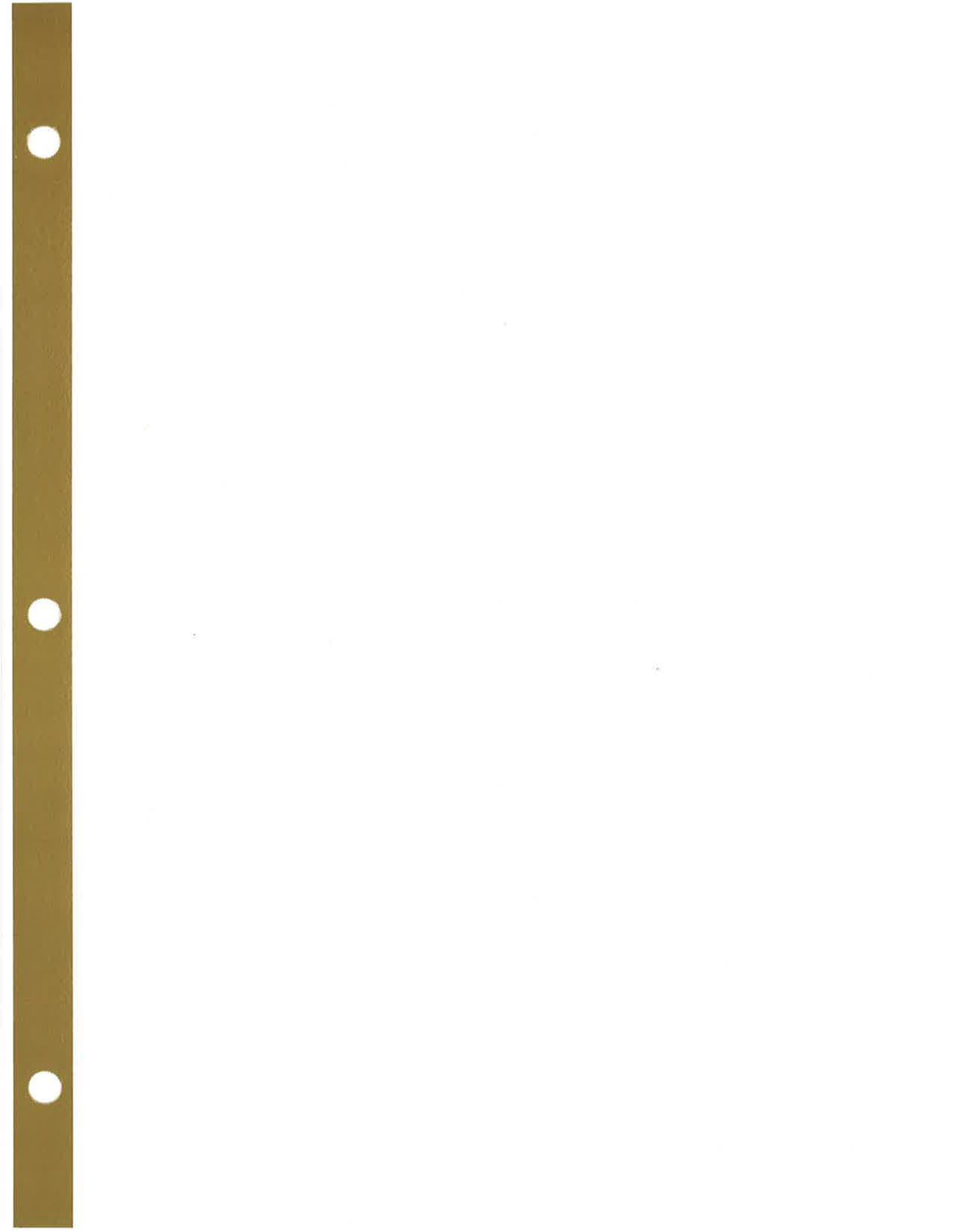
Celanese has the ability to invest in new or existing facilities in many countries around the world as well as numerous existing facilities in the United States. Relocation of the project to another jurisdiction may be possible, although such relocation would result in extra costs and would not be operationally optimal.



## Attachment 5

The project is located in the following taxing jurisdictions:

- Harris County (100%)
- La Porte ISD (100%)
- Harris County Flood Control District (100%)
- Port of Houston Authority (100%)
- Harris County Hospital District (100%)
- Harris County Education Department (100%)
- San Jacinto College District (100%)



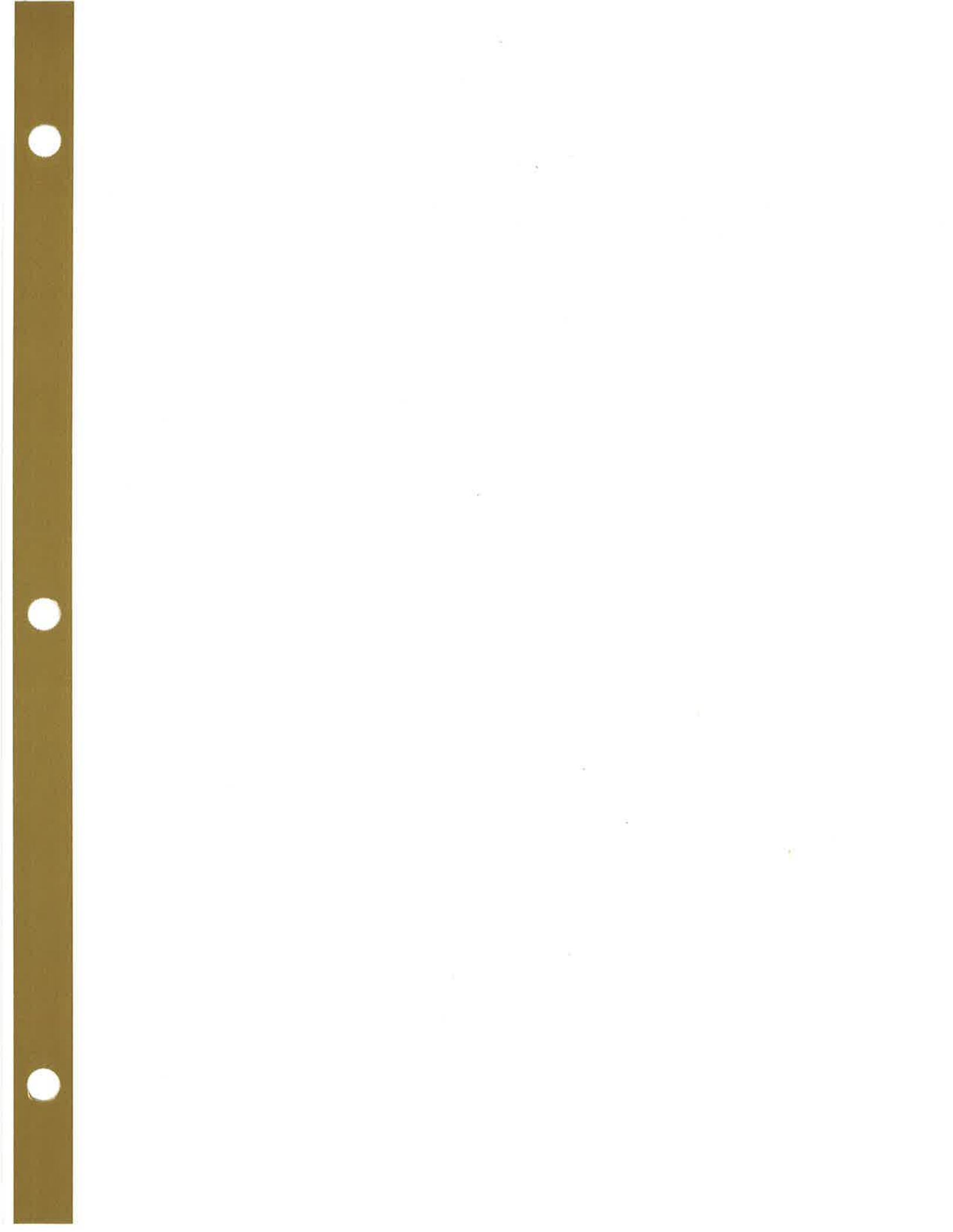
## Attachment 6

**1. A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Texas Tax Code Sec. 313.021.**

Celanese plans to construct a new methanol production facility on the grounds of the existing Clear Lake site. The facility would be located at 9502 Bayport Blvd., Pasadena, TX 77507, with an expected investment of approximately \$661.0 million.

**2. A specific and description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum, qualified investment.**

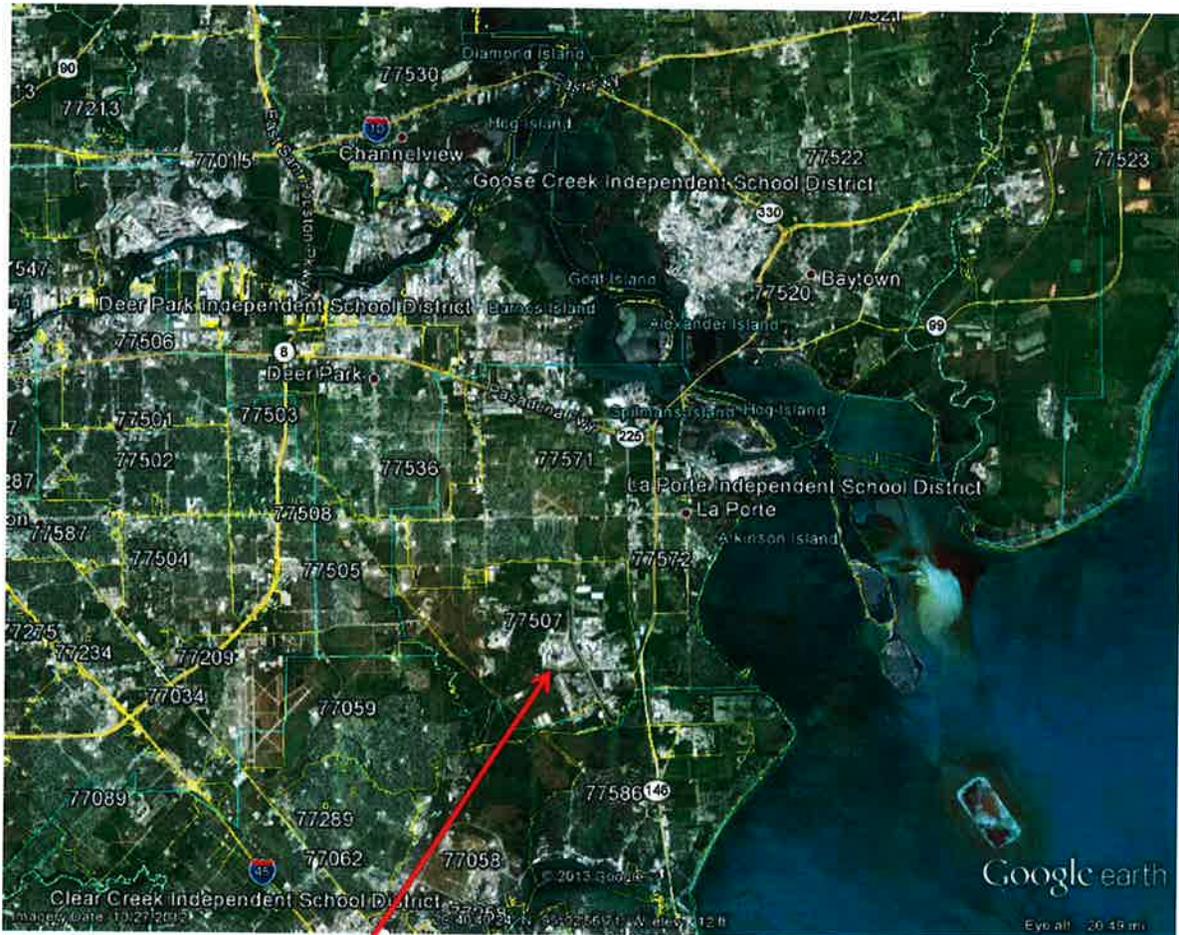
Celanese anticipates investments for construction of approximately \$661 million. This includes building costs of approximately \$84,000,000, machinery and equipment expenditures of approximately \$561,000,000, and land development and improvement costs of approximately \$16,000,000. Building costs include concrete, steel, and project management/engineering. Machinery and equipment includes approximately \$201 million on mechanical plant equipment, \$91 million on piping, pipefittings, and valves, and approximately \$40 million of electrical and instrumentation equipment.



## Attachment 7

See attached maps

# Celanese Ltd. Vicinity Map

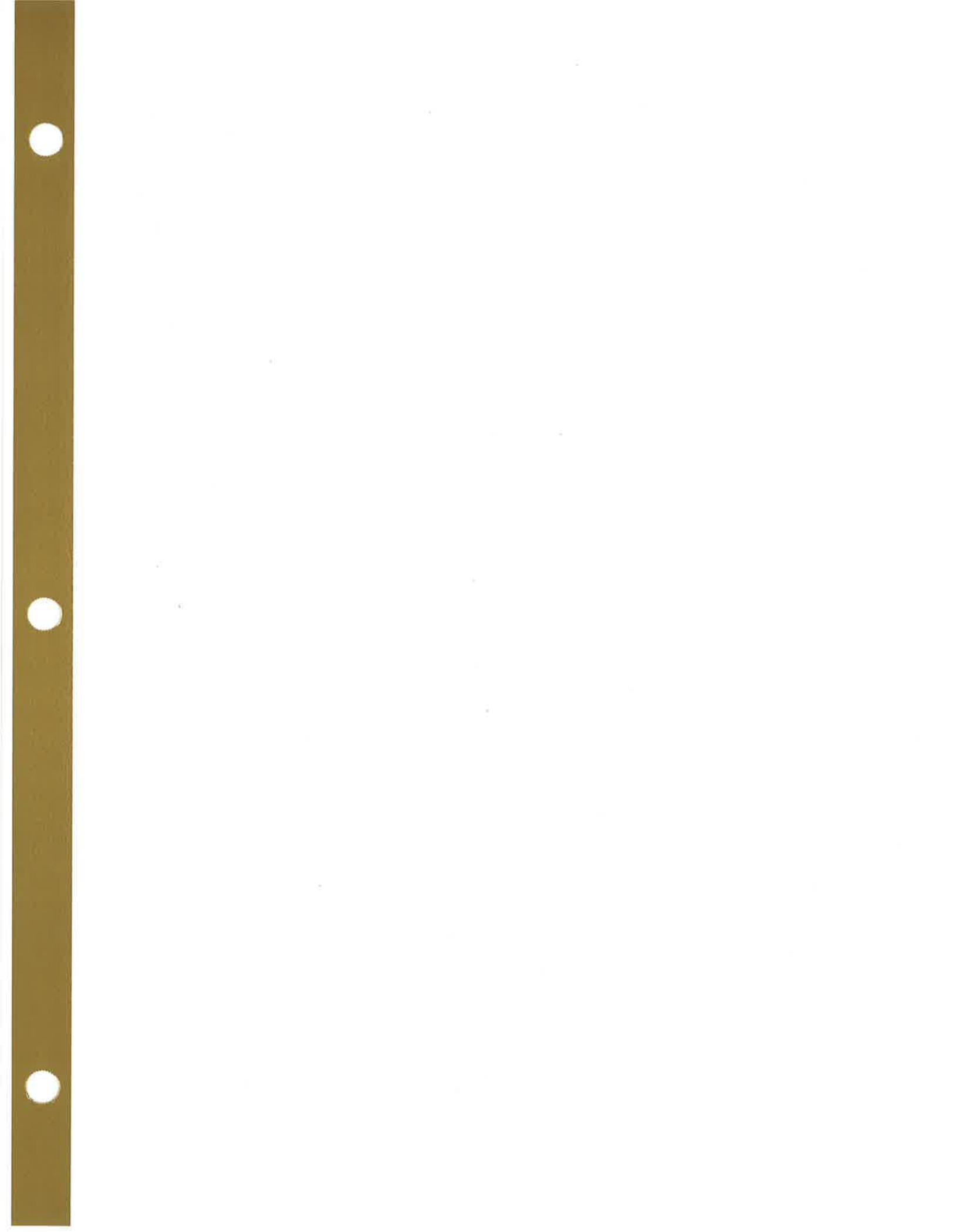


Project Site

# TEA Map of La Porte ISD



Project Site

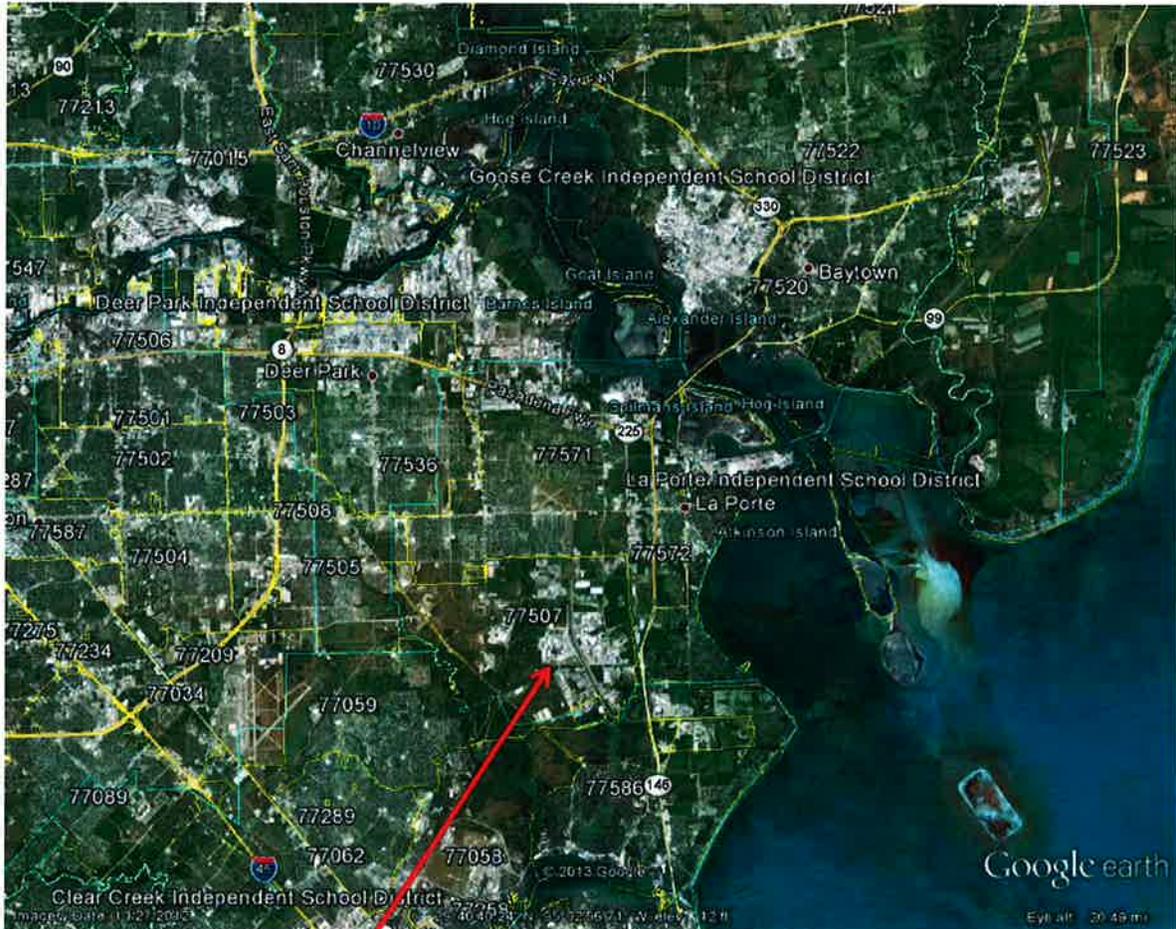




## Attachment 9

See attached maps

# Celanese Ltd. Vicinity Map

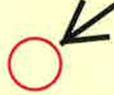


Project Site

# TEA Map of La Porte ISD



Project Site





## Attachment 10

The legal description of the proposed reinvestment zone is attached. Section 3 of Ordinance No. 2010-159 of the City Council of Pasadena, approved on July 20, 2010, established the reinvestment zone, and is attached.

**AGENDA REQUEST**

20  
NO: 2010-159

**ORDINANCE**       **RESOLUTION**

**CAPTION:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

**RECOMMENDATIONS & JUSTIFICATION:** To provide economic development incentives in the City for the retention and creation of jobs by nominating qualified industries for participation through the Texas Economic Development Bank in the Texas Enterprise Zone Program.

(IF ADDITIONAL SPACE IS REQUIRED, PLEASE ATTACH SECOND PAGE)

**COST:** \_\_\_\_\_      **TASK NO:** \_\_\_\_\_      **BUDGETED:** YES  NO   
**ACCOUNT NUMBER(S):** \_\_\_\_\_      **REQUESTING DEPARTMENT:** Economic Development

		COUNCIL ACTION	
 Paul Davis REQUESTING PARTY (TYPED)	DATE: 7/14/2010	FIRST READING:	FINAL READING:
PURCHASING DEPARTMENT		<u>Cote</u> MOTION	<u>VanHoute</u> MOTION
APPROVED:			
CONTROLLER CERTIFICATION		<u>Harrison</u> SECOND	<u>Brannon</u> SECOND
<u>LEE CLARK</u> CITY ATTORNEY		<u>7-20-10</u> DATE	<u>7-27-10</u> DATE
 MAYOR		DEFERRED: _____	

Ordinance No. 159

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

WHEREAS, the City Council of the City of Pasadena, Texas desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such area; and

WHEREAS, the project or activity is not located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Celanese Corporation has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that Celanese Corporation meets the criteria for incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council on July 20, 2010 after publication in the local newspaper on July 9, 2010.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS THAT:

Section 1: The City nominates Celanese Corporation for enterprise project status.

Section 2: The following local incentives, at the election of the governing body, are may be made available to the nominated project or activity of the qualified business;

- a) If located within the City limits of the City of Pasadena, the City may abate taxes on the increase in value of real property improvements and eligible personal property that are located in a designated enterprise zone. The level of abatement shall be in accordance with the City of Pasadena tax abatement policy and the extent to which the business receiving the abatement:
  - 1) Creates jobs for qualified employees as defined by the Act;

- 2) Creates new additional value of eligible property improvements in an amount equal to or greater than the amount established by the City Council as a minimum.
- b) If located in the City's extraterritorial jurisdiction, the City may enter into an industrial district agreement which provides for in-lieu-of tax payments to the City and exemptions from: City ad valorem taxes; City sales tax; City utilities fees and other license or permit fees; rules and regulations governing plats and subdivisions of land; as well as exemptions from building, electrical, plumbing code or codes and tax abatement.
- c) If located within the City, the City may provide regulatory relief to businesses including:
  - 1) Exemptions from certain inspection fees; or
  - 2) Streamlined permitting.
- d) If located within the City, the City may provide business and industrial development services, including creation of special one-stop permitting and problem resolution process or ombudsman.
- e) If located within the City, the City may provide regulatory relief to businesses, including:
  - 1) Zoning changes or variances;
  - 2) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
  - 3) Streamlined permitting
- f) If located within the City, the City may provide enhanced municipal services to businesses, including:
  - 1) Improved police and fire protection;
  - 2) Institution of community crime prevention programs; or
  - 3) Special public transportation routes or reduced fares.
- g) If located within the City, the City may provide improvements in community facilities, including:
  - 1) Capital improvements in water and sewer facilities;
  - 2) Road repair; or
  - 3) Creation or improvement of parks.
- h) If located within the City, the City may provide improvements to housing, including:
  - 1) Low-interest loans for housing rehabilitation, improvement, or new construction; or
  - 2) Transfer of abandoned housing to individuals or community groups.
- i) If located within the City, the City may provide business and industrial development services, including:
  - 1) Low-interest loans for business;

- 2) Use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
  - 3) Provision of publicly owned land for development purposes, including residential, commercial, or industrial development;
  - 4) Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
  - 5) Promotion and marketing services.
- j) The City may provide job training and employment services to businesses, including:
- 1) Retraining programs;
  - 2) Literacy and employment skills programs;
  - 3) Vocational education; or
  - 4) Customized job training.

Section 3: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Section 4: The City of Pasadena City Council directs and designates its Economic Development Director as the City's liaison to communicate and negotiate with the Office of the Governor Economic Development Tourism (EDT) through the Texas Economic Development Bank and enterprise project (s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

Section 5: The City finds that Celanese Corporation meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- a) Celanese Corporation is a "qualified business" under Section 2303 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located outside of an enterprise zone and at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
- b) There has been and will continue to be high level of cooperation between public, private, and neighborhood entities in the area; and
- c) The designation of Celanese Corporation as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

Section 6: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on September 1, 2015.

Section 7: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

PASSED ON FIRST READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 20<sup>th</sup> day of July, A.D., 2010.

APPROVED this the 20<sup>th</sup> day of July, A.D., 2010.

  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

ATTEST:

  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:

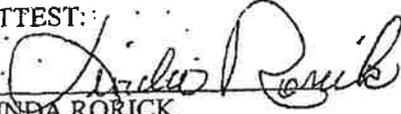
  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS

PASSED ON SECOND AND FINAL READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 27<sup>th</sup> day of July, A. D., 2010.

APPROVED this the 27<sup>th</sup> day of July, A.D., 2010.

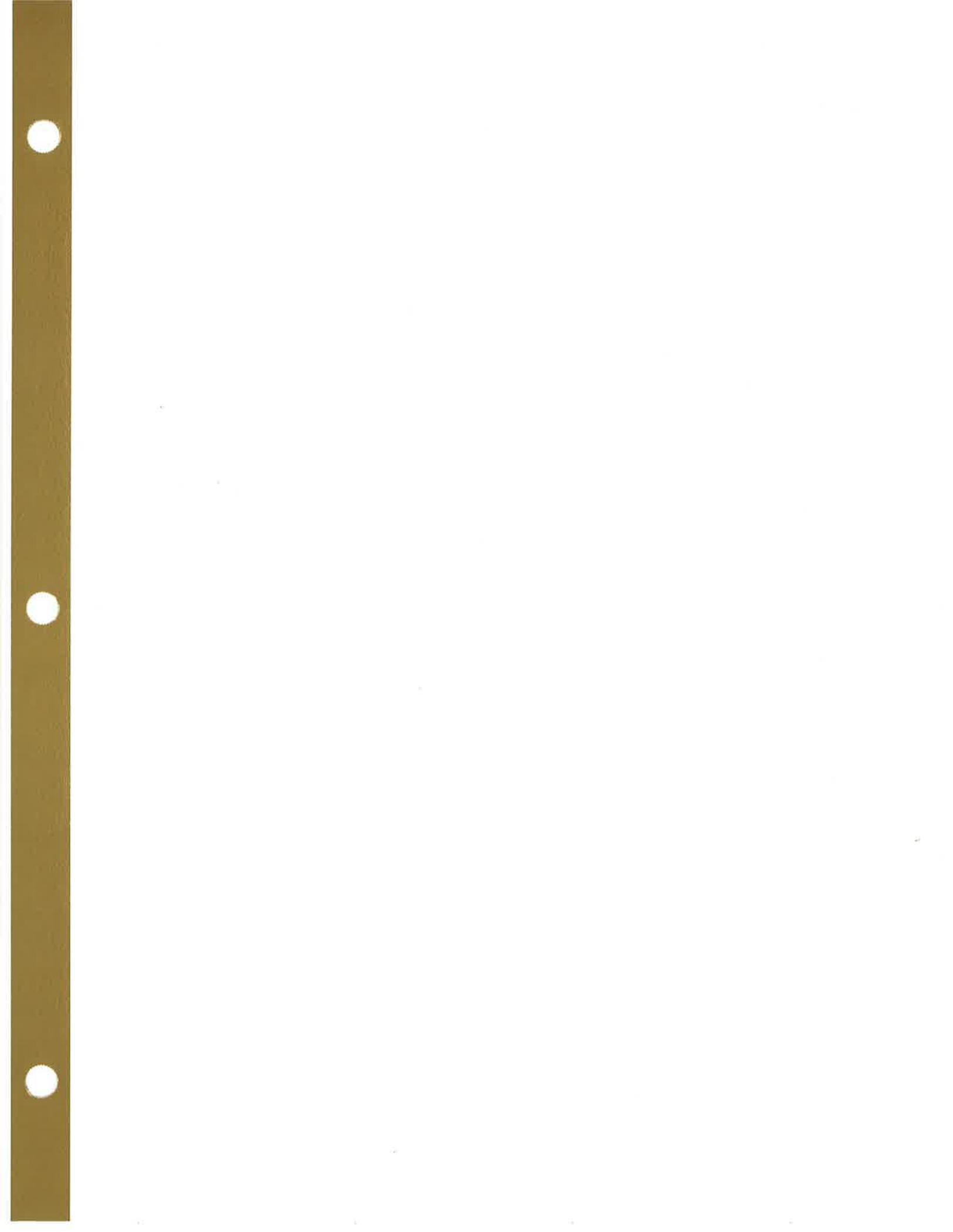
  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

ATTEST:

  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:

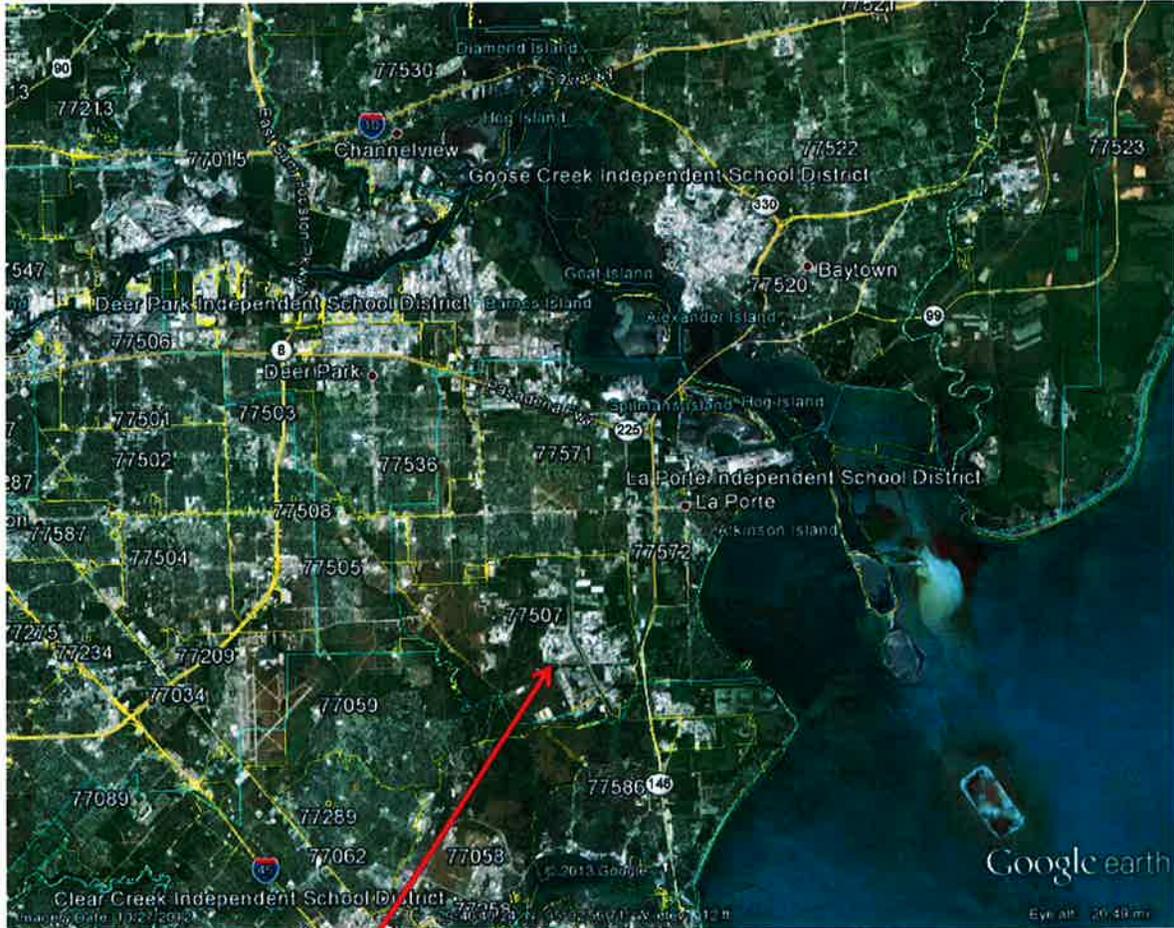
  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS



## Attachment 11

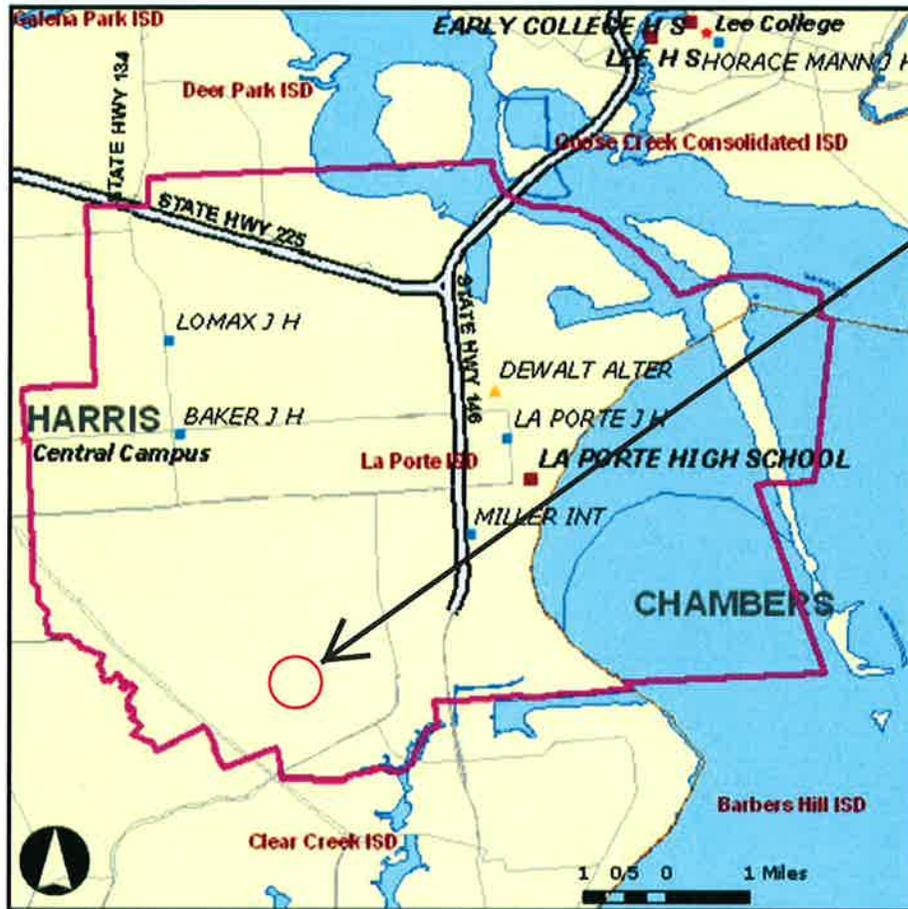
See attached maps

# Celanese Ltd. Vicinity Map



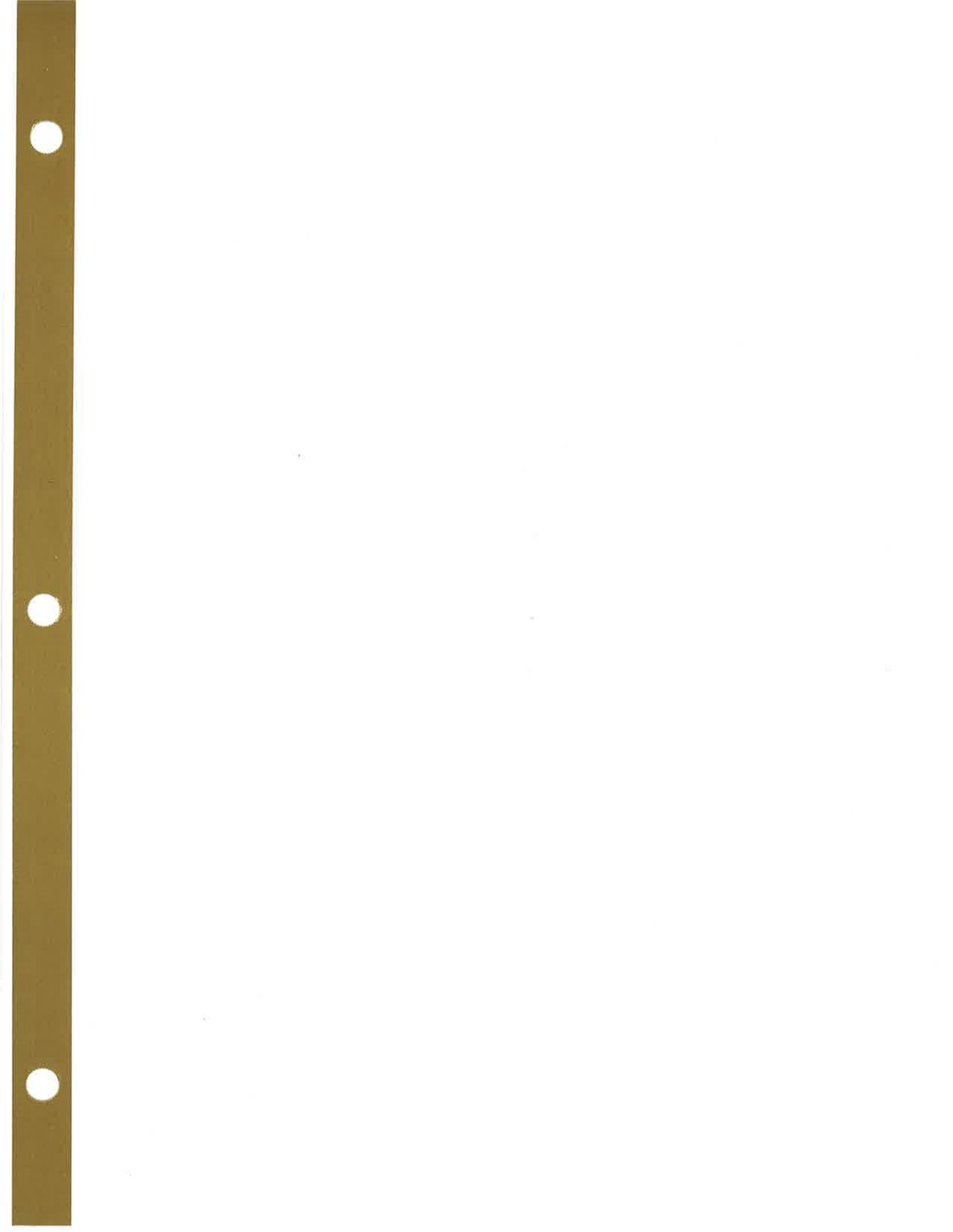
Project Site

# TEA Map of La Porte ISD



Project Site





**Attachment 12**

Account Number	Owner Name	Property Address	Zip	Market Value	Appraised Value
<b>100515000020</b>	CELANESE LTD	9502 BAYPORT BLVD	77507	\$107,275,413	\$107,275,413
<b>1005150000692</b>	CELANESE LTD	9602 BAYPORT BLVD	77507	\$4,398,410	\$4,398,410

HARRIS COUNTY APPRAISAL DISTRICT  
 REAL PROPERTY ACCOUNT INFORMATION  
**100515000020**

Tax Year: 2012

Owner and Property Information									
Owner Name & Mailing Address: <b>CELANESE LTD PO BOX 819063 DALLAS TX 75381-9063</b>				Legal Description: <b>TR 19 (IMPS*100515000627 &amp; 100515000681) (PC IMPS*100515000628 &amp; 0683) BAYPORT SEC 1 U/R</b>					
				Property Address: <b>9502 BAYPORT BLVD PASADENA TX 77507</b>					
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
F2 -- Real, Industrial	4416 -- Chemical and Allied Products	E	0	39,738,583 SF	0	0	5980.24	6152C	579P

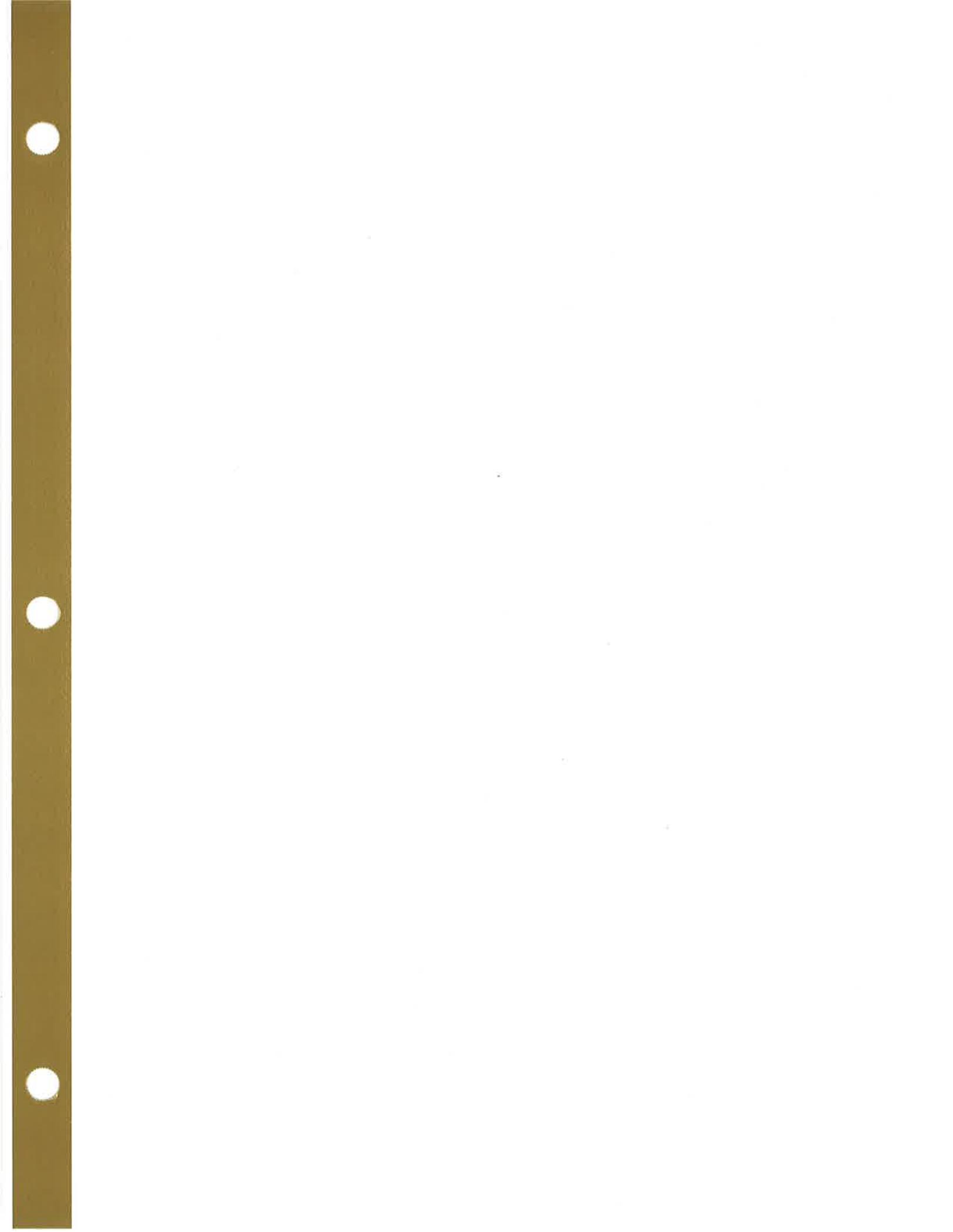
Value Status Information			
Capped Account	Value Status	Notice Date	Shared CAD
No	Noticed	04/13/2012	No

Exemptions and Jurisdictions					
Exemption Type	Districts	Jurisdictions	ARB Status	2011 Rate	2012 Rate
<b>None</b>	020	LA PORTE ISD	Certified: 08/10/2012	1.355000	1.330000
	040	HARRIS COUNTY	Certified: 08/10/2012	0.391170	0.400210
	041	HARRIS CO FLOOD CNTRL	Certified: 08/10/2012	0.028090	0.028090
	042	PORT OF HOUSTON AUTHY	Certified: 08/10/2012	0.018560	0.019520
	043	HARRIS CO HOSP DIST	Certified: 08/10/2012	0.192160	0.182160
	044	HARRIS CO EDUC DEPT	Certified: 08/10/2012	0.006581	0.006617
	047	SAN JACINTO COM COL D	Certified: 08/10/2012	0.185602	0.185602
	074	CITY OF PASADENA	Certified: 08/10/2012	0.591593	0.591593

Valuations			
Value as of January 1, 2011		Value as of January 1, 2012	
	Market	Appraised	
Land	20,463,443		Land
Improvement	81,044,210		Improvement
Total	101,507,653	101,507,653	Total
			Market
			Appraised
			20,095,143
			87,180,270
			107,275,413
			107,275,413

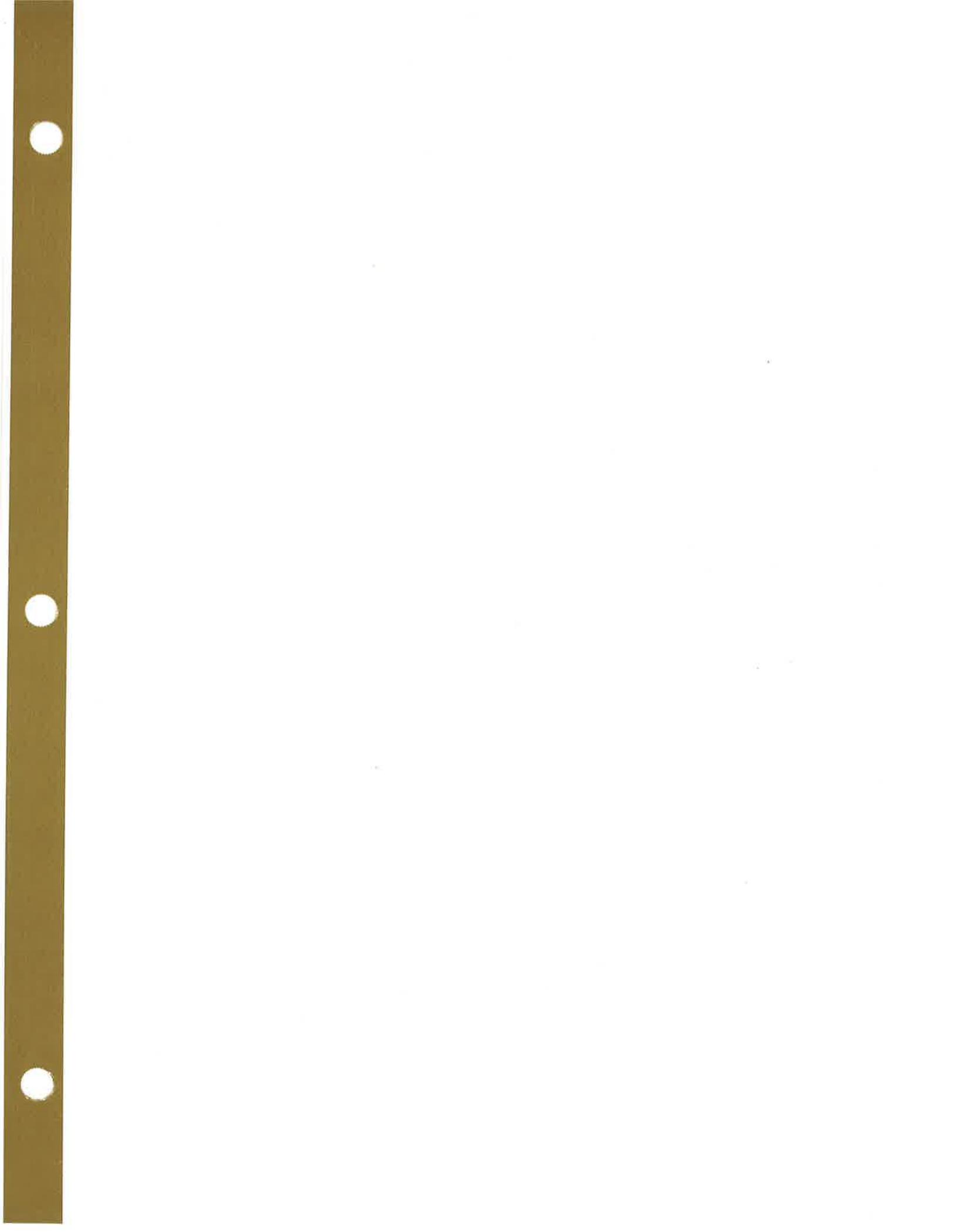
Land												
Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	4416 -- Chemical and Allied Products	AC6	AC	11.4800	1.00	1.00	0.50	Excessive Frontage	0.50	54,450.00	27,225.00	312,543
2	4416 -- Chemical and Allied Products	AC7	AC	900.7920	1.00	1.00	0.50	Shape or Size	0.50	43,560.00	21,780.00	19,619,250
3	4500 -- Retention Pond	--	SF	15	1.00	1.00	0.25	Restr or Non-Conf	0.25	43,560.00	10,890.00	163,350

Building												
Vacant (No Building Data)												



## Attachment 13

Not applicable



**CELANESE LTD**  
**ATTACHMENT TO CHAPTER 313 APPLICATION**

**CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
THIRD	2012	\$ 1,154	\$ 60,008
SECOND	2012	\$ 1,164	\$ 60,528
FIRST	2012	\$ 1,338	\$ 69,576
FOURTH	2011	\$ 1,240	\$ 64,480
	AVERAGE	\$ 1,224	\$ 63,648
	X	110%	110%
		\$ 1,346	\$ 70,013

**CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
THIRD	2012	\$ 1,429	\$ 74,308
SECOND	2012	\$ 1,413	\$ 73,476
FIRST	2012	\$ 1,672	\$ 86,944
FOURTH	2011	\$ 1,556	\$ 80,912
	AVERAGE	\$ 1,518	\$ 78,910
	X	110%	110%
		\$ 1,669	\$ 86,801

**CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
	2011	\$ 1,033	\$ 53,711
	X	110%	110%
		\$ 1,136	\$ 59,082

\*SEE ATTACHED TWC DOCUMENTATION

**ATTACHMENT 14**

### Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text"/> Year	<input type="text"/> Period	<input type="text"/> Area	<input type="text"/> Ownership	<input type="text"/> Division	<input type="text"/> Level	<input type="text"/> Ind Code	<input type="text"/> Industry	<input type="text"/> Avg Weekly Wages
2012	1st Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,338
2012	2nd Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,164
2012	3rd Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,154
2011	4th Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,240

### Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text"/> Year	<input type="text"/> Period	<input type="text"/> Area	<input type="text"/> Ownership	<input type="text"/> Division	<input type="text"/> Level	<input type="text"/> Ind Code	<input type="text"/> Industry	<input type="text"/> Avg Weekly Wages
2012	1st Qtr	Harris County	Total All	31	2	31-33	Manufacturing	\$1,672
2012	2nd Qtr	Harris County	Total All	31	2	31-33	Manufacturing	\$1,413
2012	3rd Qtr	Harris County	Total All	31	2	31-33	Manufacturing	\$1,429
2011	4th Qtr	Harris County	Total All	31	2	31-33	Manufacturing	\$1,556

**2011 Manufacturing Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
<b>Texas</b>	<b>\$22.89</b>	<b>\$47,610</b>
<a href="#">1. Panhandle Regional Planning Commission</a>	\$19.32	\$40,196
<a href="#">2. South Plains Association of Governments</a>	\$16.45	\$34,210
<a href="#">3. NORTEX Regional Planning Commission</a>	\$18.14	\$37,733
<a href="#">4. North Central Texas Council of Governments</a>	\$24.03	\$49,986
<a href="#">5. Ark-Tex Council of Governments</a>	\$16.52	\$34,366
<a href="#">6. East Texas Council of Governments</a>	\$18.27	\$37,995
<a href="#">7. West Central Texas Council of Governments</a>	\$17.76	\$36,949
<a href="#">8. Rio Grande Council of Governments</a>	\$15.69	\$32,635
<a href="#">9. Permian Basin Regional Planning Commission</a>	\$21.32	\$44,349
<a href="#">10. Concho Valley Council of Governments</a>	\$15.92	\$33,123
<a href="#">11. Heart of Texas Council of Governments</a>	\$18.82	\$39,150
<a href="#">12. Capital Area Council of Governments</a>	\$26.46	\$55,047
<a href="#">13. Brazos Valley Council of Governments</a>	\$15.71	\$33,718
<a href="#">14. Deep East Texas Council of Governments</a>	\$15.48	\$32,207
<a href="#">15. South East Texas Regional Planning Commission</a>	\$28.23	\$58,724
<b>16. Houston-Galveston Area Council</b>	<b>\$25.82</b>	<b>\$53,711</b>
<a href="#">17. Golden Crescent Regional Planning Commission</a>	<del>\$20.38</del>	\$42,391
<a href="#">18. Alamo Area Council of Governments</a>	\$18.00	\$37,439
<a href="#">19. South Texas Development Council</a>	\$13.85	\$28,806
<a href="#">20. Coastal Bend Council of Governments</a>	\$22.35	\$46,489
<a href="#">21. Lower Rio Grande Valley Development Council</a>	\$15.08	\$31,365
<a href="#">22. Texoma Council of Governments</a>	\$20.76	\$43,190
<a href="#">23. Central Texas Council of Governments</a>	\$16.17	\$33,642
<a href="#">24. Middle Rio Grande Development Council</a>	\$13.65	\$28,382

110% x \$53,711 =  
\$59,082

Source: Texas Occupational Employment and Wages

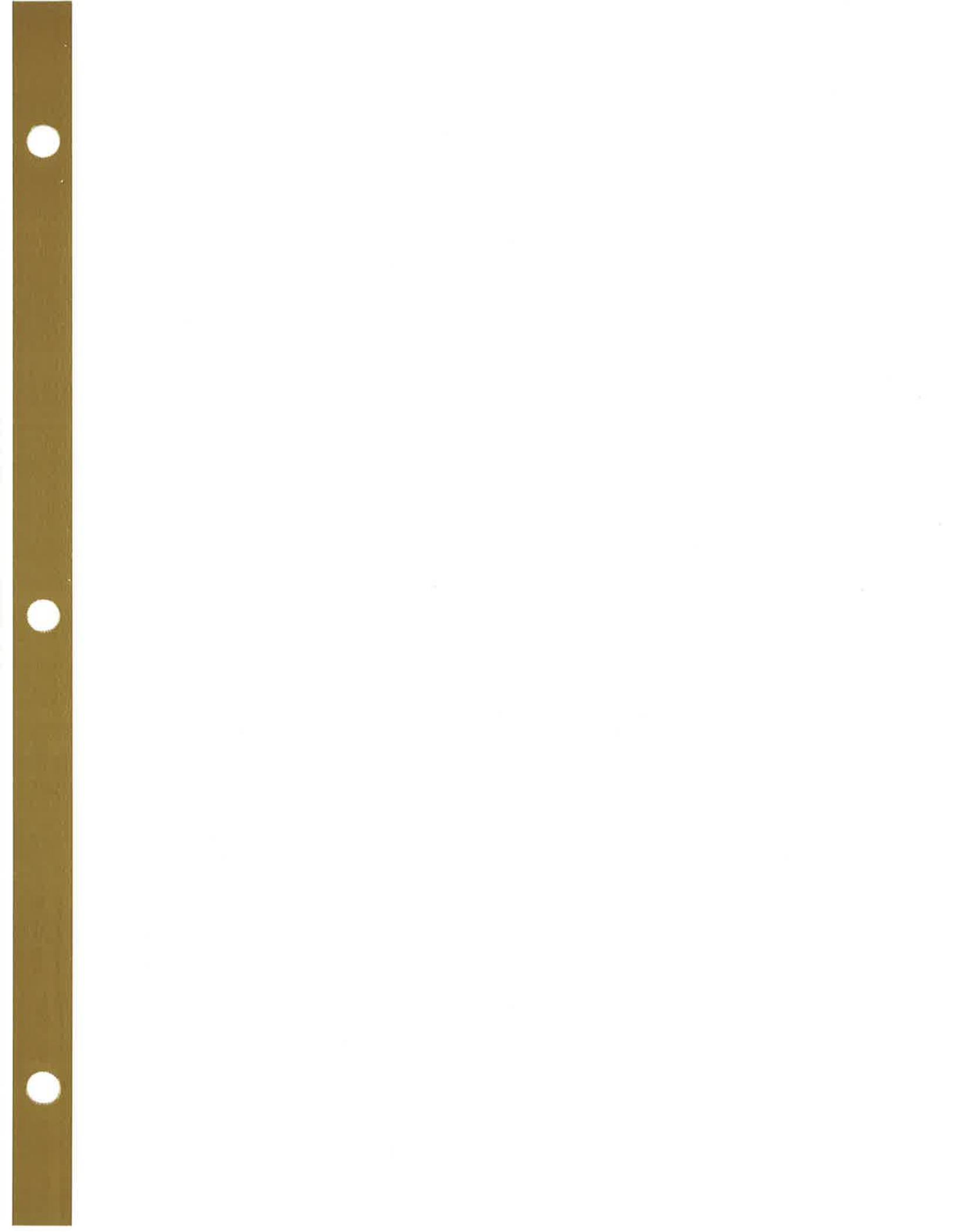
Data published: July 2012

Data published annually, next update will be summer 2013

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

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

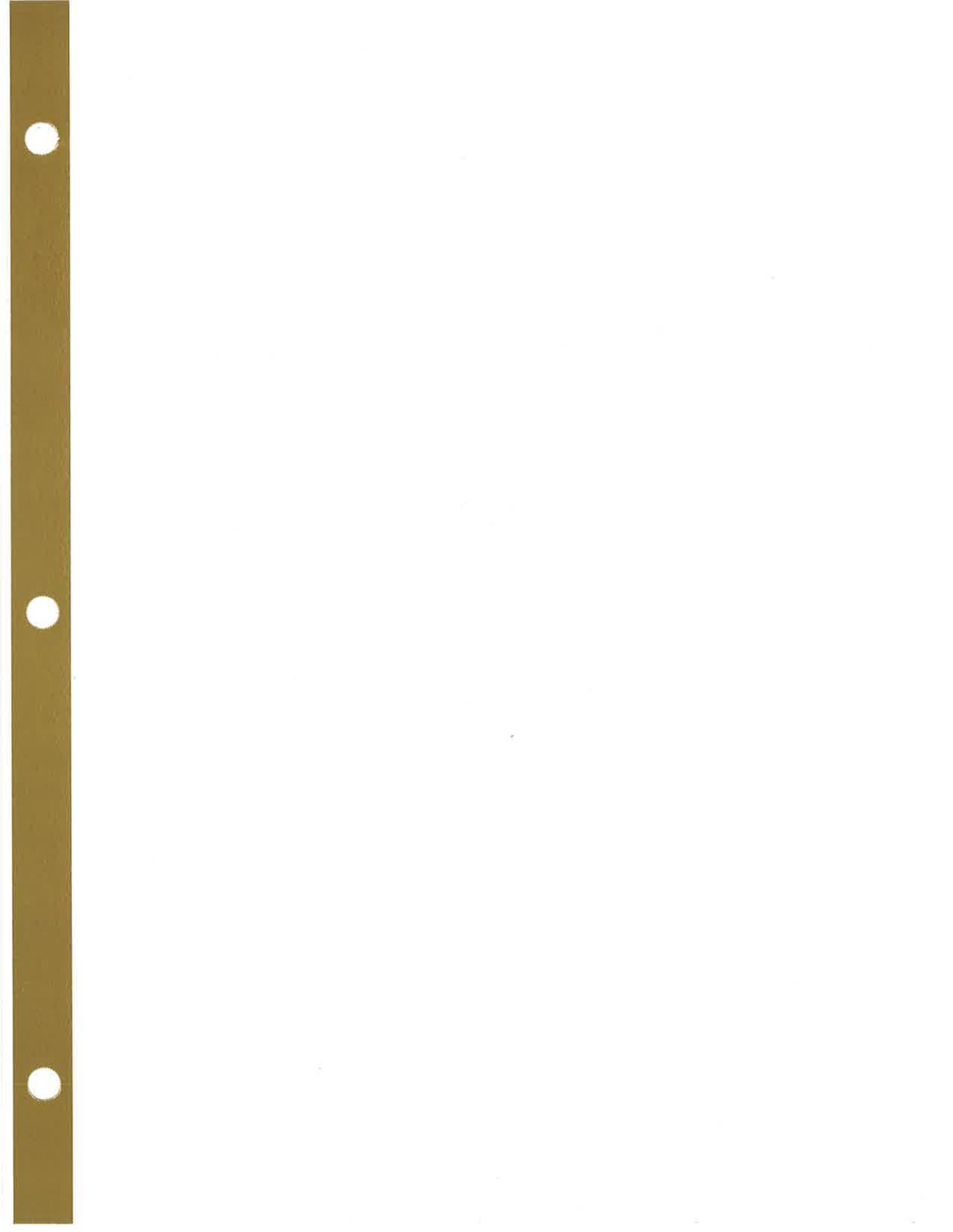
Data intended for TAC 313 purposes only.



## Attachment 15

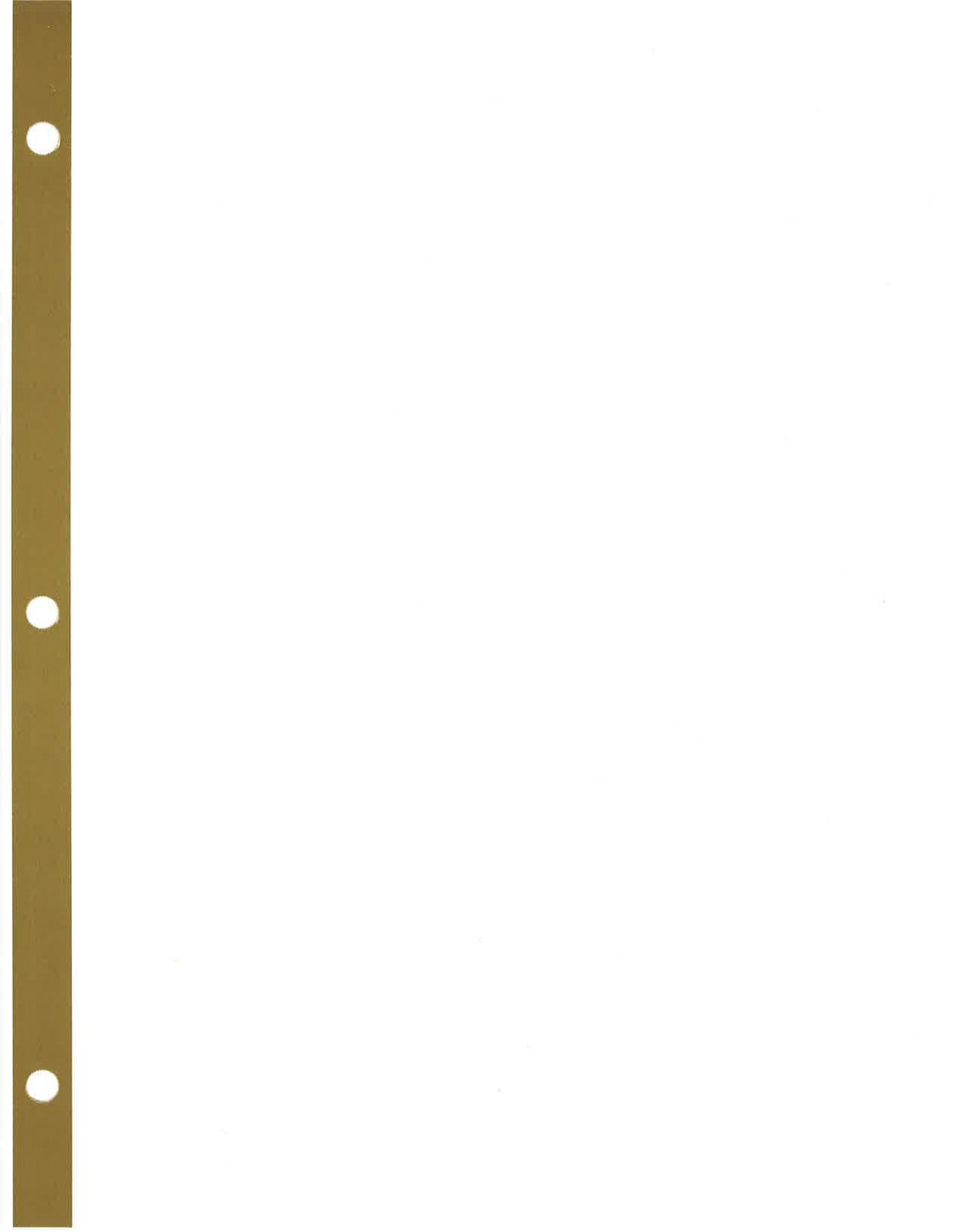
Celanese Ltd. provides its employees with benefits including, but not limited to, the following:

- Medical Coverage (company pays 80% of employee health insurance premiums)
- Basic Life – 1x annual salary (paid by company)
- Basic AD&D – 1x annual salary (paid by company)
- Paid Vacation
- Paid Holidays
- Dental Plan
- 401(k) Retirement Savings Plan



## Attachment 16

The economic impact study will be performed by the Comptroller at a future date.



## Attachment 17

See attached Schedule A

Schedule A (Rev. May 2010): Investment

Form 50-296

Celanese LTD  
La Porte ISD

PROPERTY INVESTMENT AMOUNTS

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

Applicant Name ISD Name	Year	Tax Year (Fill in actual tax year below) YYYY	School Year (YYYY-YYYY)	Column A: Tangible Personal Property The amount of new investment (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 Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment 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)	1	2014	2014 - 2015	\$ 24,000,000	\$ 16,000,000	\$ 16,000,000	\$ 5,177,000	\$ 21,177,000
	2	2015	2015 - 2016	\$ 551,000,000	\$ 10,000,000	\$ 561,000,000		\$ 561,000,000
	3	2016	2016 - 2017	\$ -		\$ -		\$ -
	4	2017	2017 - 2018	\$ -		\$ -		\$ -
	5	2018	2018 - 2019	\$ -		\$ -		\$ -
	6	2019-2020	2019					
	7	2020 - 2021	2020					
	8	2021 - 2022	2021					
	9	2022 - 2023	2022					
	10	2023 - 2024	2023					
	11	2024 - 2025	2024					
	12	2025 - 2026	2025					
	13	2026 - 2027	2026					
	14	2027- 2028	2027					
	15	2028 - 2029	2028					
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period							
Credit Settle-Up Period	Value Limitation Period							
	Continue to Maintain Viable Presence							
Post-Settle-Up Period	Post-Settle-Up Period							
	Post-Settle-Up Period							

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).

For the purposes of investment, please list amount invested each year, not cumulative totals.

[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].

Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

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).

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.

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.

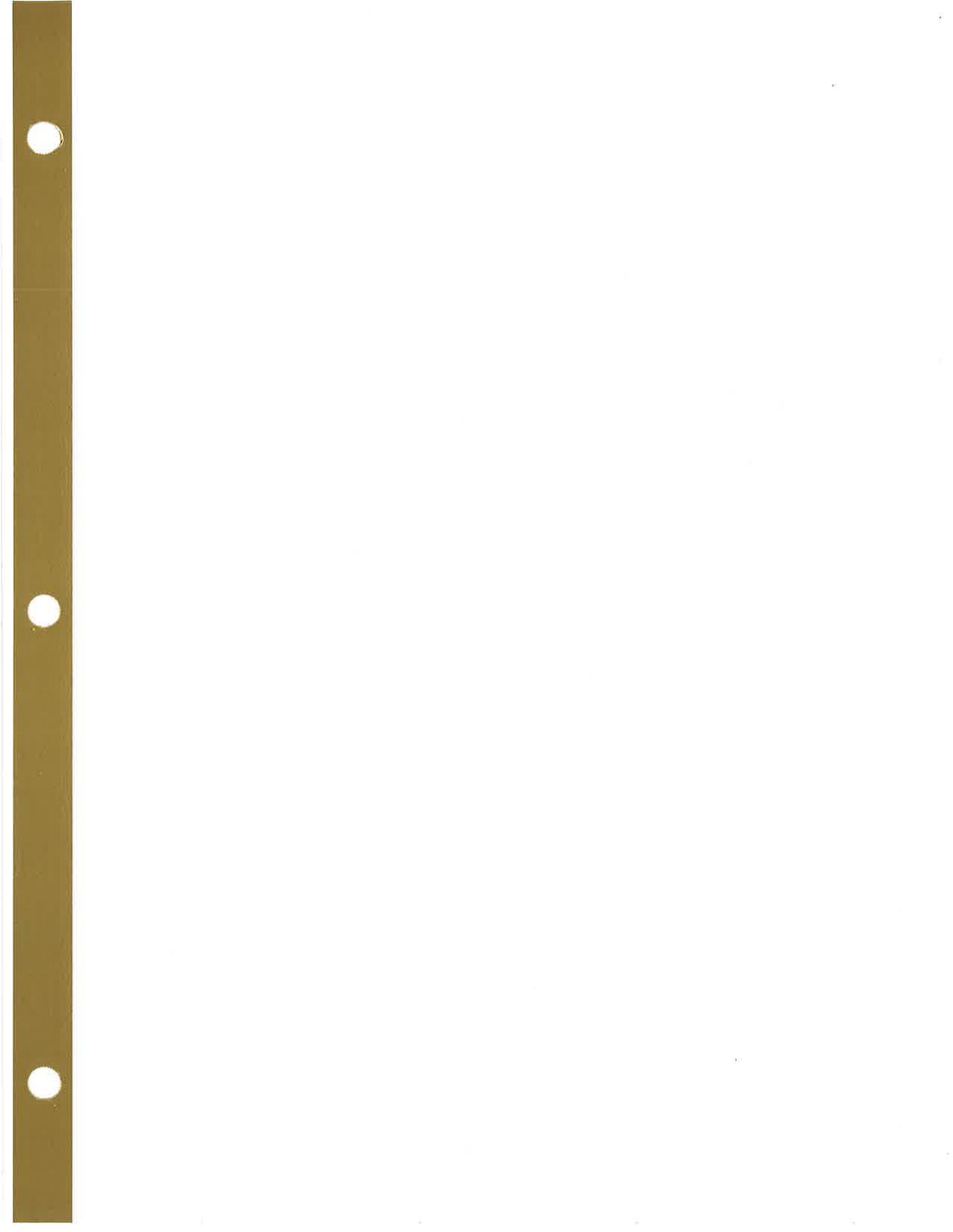
Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

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.

4/04/2013

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE



## Attachment 18

See attached Schedule B

**Schedule B (Rev. May 2010): Estimated Market And Taxable Value**  
**CELANESE LTD**

Applicant Name  
 ISD Name

La Porte ISD

Form 30-296

	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	2013 - 2014	2013	\$ 5,177,000	\$ 16,000,000	\$ -		\$ 21,177,000	\$ 21,177,000
Complete tax years of qualifying time period	1	2014 - 2015	2014	\$ 5,177,000	\$ 76,000,000	\$ 24,000,000	\$ 1,200,000	\$ 103,977,000	\$ 103,977,000
	2	2015 - 2016	2015	\$ 5,177,000	\$ 86,000,000	\$ 575,000,000	\$ 28,750,000	\$ 637,427,000	\$ 637,427,000
	3	2016 - 2017	2016	\$ 5,177,000	\$ 86,000,000	\$ 575,000,000	\$ 28,750,000	\$ 637,427,000	\$ 30,000,000
	4	2017 - 2018	2017	\$ 5,177,000	\$ 83,420,000	\$ 557,750,000	\$ 27,887,500	\$ 618,459,500	\$ 30,000,000
	5	2018 - 2019	2018	\$ 5,177,000	\$ 80,917,400	\$ 541,017,500	\$ 27,050,875	\$ 600,061,025	\$ 30,000,000
Tax Credit Period (with 50% cap on credit)	6	2019 - 2020	2019	\$ 5,177,000	\$ 78,489,878	\$ 524,786,975	\$ 26,239,349	\$ 582,214,504	\$ 30,000,000
	7	2020 - 2021	2020	\$ 5,177,000	\$ 76,135,182	\$ 509,043,366	\$ 25,452,168	\$ 564,903,379	\$ 30,000,000
	8	2021 - 2022	2021	\$ 5,177,000	\$ 73,851,126	\$ 493,772,065	\$ 24,688,603	\$ 548,111,588	\$ 30,000,000
	9	2022 - 2023	2022	\$ 5,177,000	\$ 71,635,592	\$ 478,958,903	\$ 23,947,945	\$ 531,823,550	\$ 30,000,000
	10	2023 - 2024	2023	\$ 5,177,000	\$ 69,486,525	\$ 464,590,136	\$ 23,229,507	\$ 516,024,154	\$ 30,000,000
Credit Settle-Up Period	11	2024 - 2025	2024	\$ 5,177,000	\$ 67,401,929	\$ 450,652,432	\$ 22,532,622	\$ 500,698,739	\$ 500,698,739
	12	2025 - 2026	2025	\$ 5,177,000	\$ 65,379,871	\$ 437,132,859	\$ 21,856,643	\$ 485,833,087	\$ 485,833,087
	13	2026 - 2027	2026	\$ 5,177,000	\$ 63,418,475	\$ 424,018,873	\$ 21,200,944	\$ 471,413,404	\$ 471,413,404
Post- Settle-Up Period	14	2027 - 2028	2027	\$ 5,177,000	\$ 61,515,921	\$ 411,298,307	\$ 20,564,915	\$ 457,426,312	\$ 457,426,312
Post- Settle-Up Period	15	2028 - 2029	2028	\$ 5,177,000	\$ 59,670,443	\$ 398,959,358	\$ 19,947,968	\$ 443,858,833	\$ 443,858,833

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.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

4/08/2013

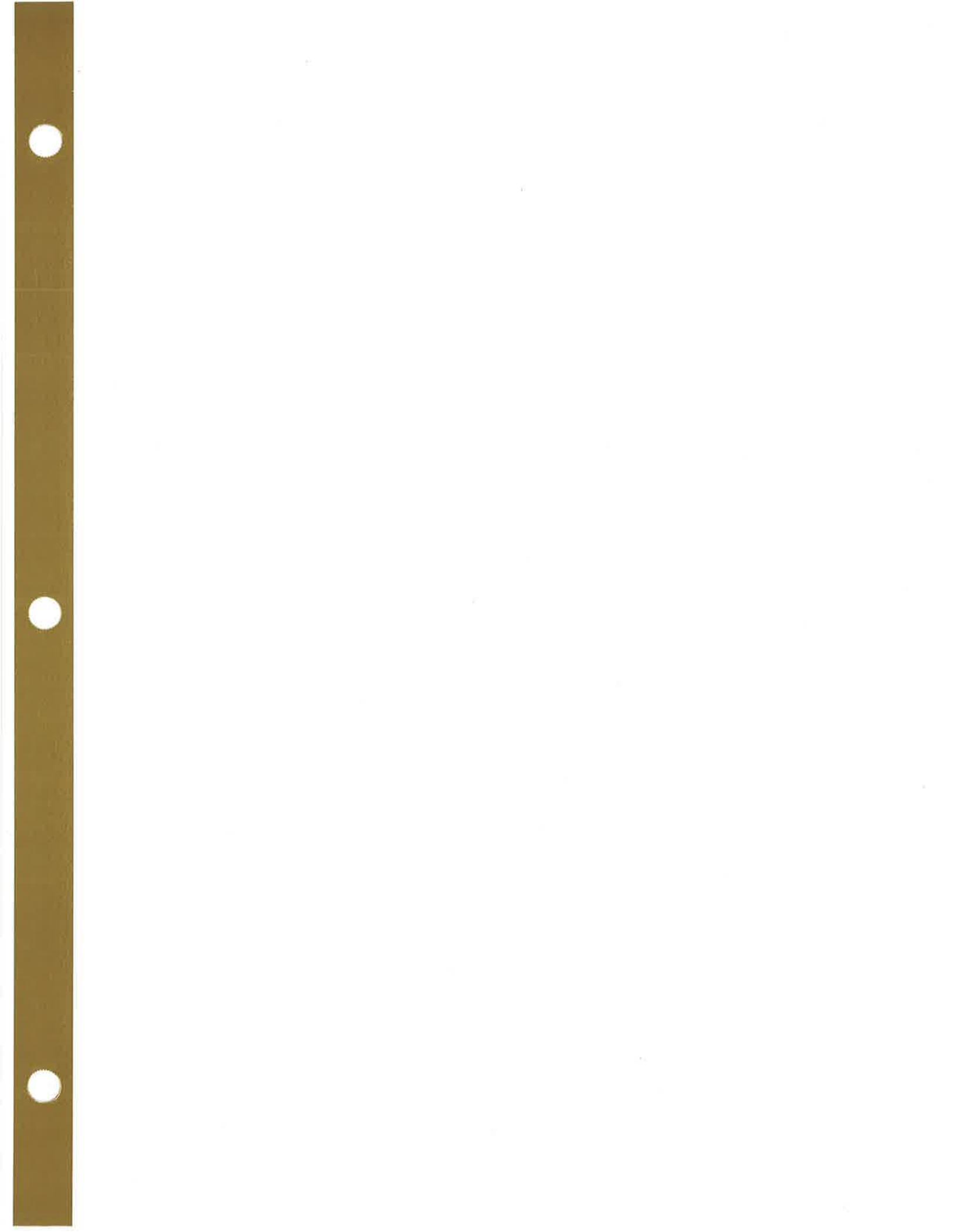
DATE



## Attachment 19

See attached Schedule C





## Attachment 20

See attached Schedule D

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

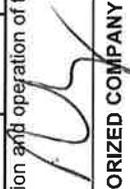
CELANESE LTD

La Porte ISD

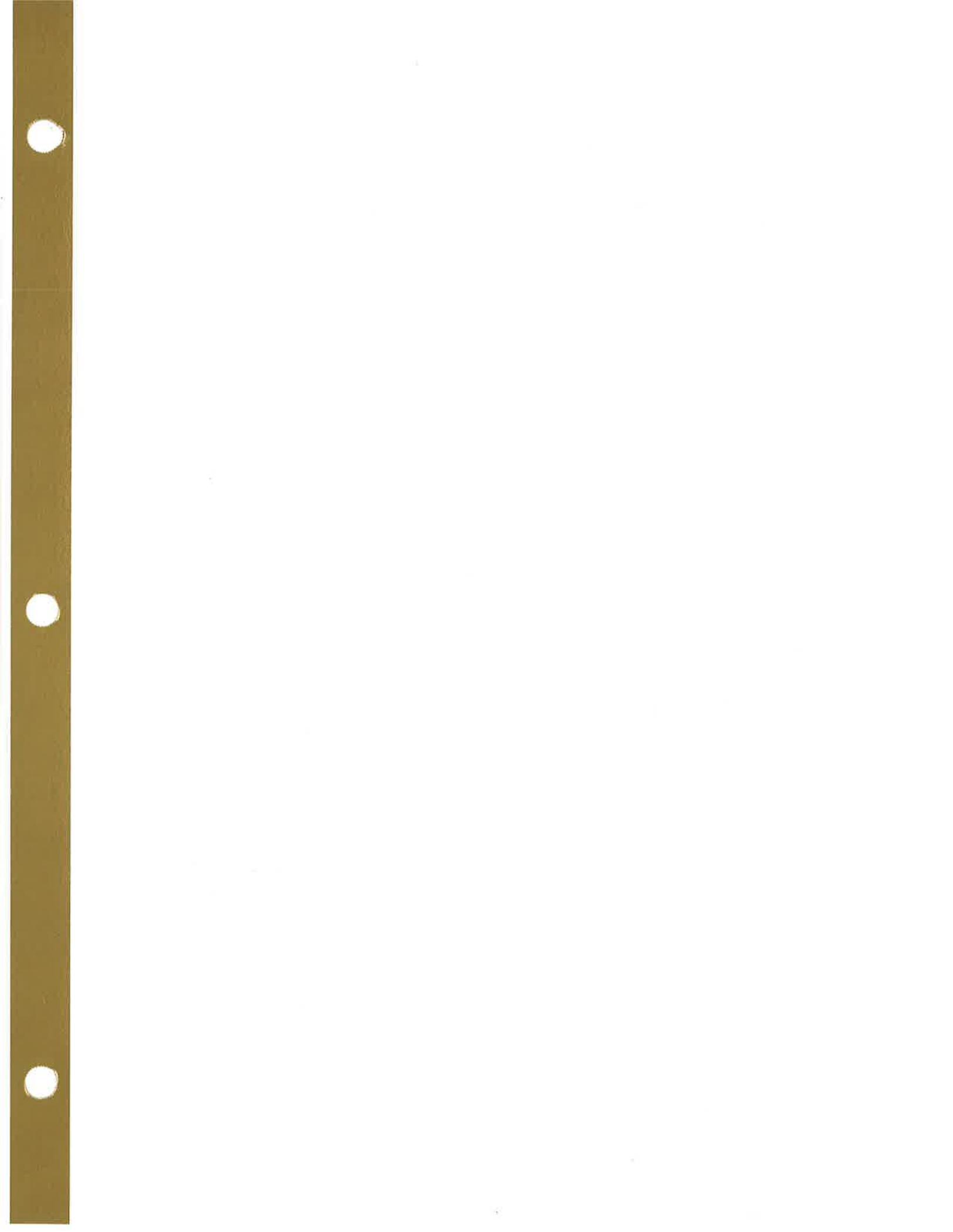
Form 50-236

Sales Tax Information				Other Property Tax Abatements Sought				
Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Taxable Expenditures		County	City	Hospital	Other
			Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax				
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	2013 - 2014	2013	\$ 4,000,000	\$ 12,000,000	\$ 480,000	\$ 480,000	N/A	N/A
Complete tax years of qualifying time period	1	2014 - 2015	\$ 24,000,000	\$ 60,000,000	\$ 480,000	\$ 480,000	N/A	N/A
	2	2015 - 2016	\$ 110,000,000	\$ 441,000,000	\$ 480,000	\$ 480,000	N/A	N/A
Tax Credit Period (with 50% cap on credit)	3	2016 - 2017	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	4	2017 - 2018	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	5	2018 - 2019	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	6	2019 - 2020	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	7	2020 - 2021	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	8	2021 - 2022	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	9	2022 - 2023	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	10	2023 - 2024	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	11	2024 - 2025	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	12	2025 - 2026	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
Credit Settle-Up Period	13	2026 - 2027	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	14	2027 - 2028	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A
	15	2028 - 2029	\$ -	\$ -	\$ 480,000	\$ 480,000	N/A	N/A

\*For planning, construction and operation of the facility.

  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

4/14/2013  
 DATE



## Attachment 21

A map of the proposed reinvestment zone is attached as a vicinity map. Ordinance No. 2010-159 of the City Council of Pasadena, approved on July 20, 2010, established the reinvestment zone.

**AGENDA REQUEST**

20  
NO: 2010- 159

**ORDINANCE**       **RESOLUTION**

**CAPTION:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

**RECOMMENDATIONS & JUSTIFICATION:** To provide economic development incentives in the City for the retention and creation of jobs by nominating qualified industries for participation through the Texas Economic Development Bank in the Texas Enterprise Zone Program.

(IF ADDITIONAL SPACE IS REQUIRED, PLEASE ATTACH SECOND PAGE)

**COST:** \_\_\_\_\_      **TASK NO:** \_\_\_\_\_      **BUDGETED:** YES  NO   
**ACCOUNT NUMBER(S):** \_\_\_\_\_      **REQUESTING DEPARTMENT:** Economic Development

		COUNCIL ACTION	
 Paul Davis      DATE: 7/14/2010 REQUESTING PARTY (TYPED)		FIRST READING:	FINAL READING:
		<u>Cote</u> MOTION	<u>VanHoute</u> MOTION
PURCHASING DEPARTMENT			
APPROVED:			
		<u>Harrison</u> SECOND	<u>Braunon</u> SECOND
CONTROLLER CERTIFICATION			
 CITY ATTORNEY		<u>7-20-10</u> DATE	<u>7-27-10</u> DATE
 MAYOR		DEFERRED: _____	

Ordinance No. 159

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

WHEREAS, the City Council of the City of Pasadena, Texas desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such area; and

WHEREAS, the project or activity is not located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Celanese Corporation has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that Celanese Corporation meets the criteria for incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council on July 20, 2010 after publication in the local newspaper on July 9, 2010.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS THAT:

Section 1: The City nominates Celanese Corporation for enterprise project status.

Section 2: The following local incentives, at the election of the governing body, are may be made available to the nominated project or activity of the qualified business;

- a) If located within the City limits of the City of Pasadena, the City may abate taxes on the increase in value of real property improvements and eligible personal property that are located in a designated enterprise zone. The level of abatement shall be in accordance with the City of Pasadena tax abatement policy and the extent to which the business receiving the abatement:
  - 1) Creates jobs for qualified employees as defined by the Act;

- 2) Creates new additional value of eligible property improvements in an amount equal to or greater than the amount established by the City Council as a minimum.
- b) If located in the City's extraterritorial jurisdiction, the City may enter into an industrial district agreement which provides for in-lieu-of tax payments to the City and exemptions from: City ad valorem taxes; City sales tax; City utilities fees and other license or permit fees; rules and regulations governing plats and subdivisions of land; as well as exemptions from building, electrical, plumbing code or codes and tax abatement.
- c) If located within the City, the City may provide regulatory relief to businesses including:
  - 1) Exemptions from certain inspection fees; or
  - 2) Streamlined permitting.
- d) If located within the City, the City may provide business and industrial development services, including creation of special one-stop permitting and problem resolution process or ombudsman.
- e) If located within the City, the City may provide regulatory relief to businesses, including:
  - 1) Zoning changes or variances;
  - 2) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
  - 3) Streamlined permitting
- f) If located within the City, the City may provide enhanced municipal services to businesses, including:
  - 1) Improved police and fire protection;
  - 2) Institution of community crime prevention programs; or
  - 3) Special public transportation routes or reduced fares.
- g) If located within the City, the City may provide improvements in community facilities, including:
  - 1) Capital improvements in water and sewer facilities;
  - 2) Road repair; or
  - 3) Creation or improvement of parks.
- h) If located within the City, the City may provide improvements to housing, including:
  - 1) Low-interest loans for housing rehabilitation, improvement, or new construction; or
  - 2) Transfer of abandoned housing to individuals or community groups.
- i) If located within the City, the City may provide business and industrial development services, including:
  - 1) Low-interest loans for business;

- 2) Use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
  - 3) Provision of publicly owned land for development purposes, including residential, commercial, or industrial development;
  - 4) Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
  - 5) Promotion and marketing services.
- j) The City may provide job training and employment services to businesses, including:
- 1) Retraining programs;
  - 2) Literacy and employment skills programs;
  - 3) Vocational education; or
  - 4) Customized job training.

Section 3: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Section 4: The City of Pasadena City Council directs and designates its Economic Development Director as the City's liaison to communicate and negotiate with the Office of the Governor Economic Development Tourism (EDT) through the Texas Economic Development Bank and enterprise project (s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

Section 5: The City finds that Celanese Corporation meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- a) Celanese Corporation is a "qualified business" under Section 2303 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located outside of an enterprise zone and at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
- b) There has been and will continue to be high level of cooperation between public, private, and neighborhood entities in the area; and
- c) The designation of Celanese Corporation as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

Section 6: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on September 1, 2015.

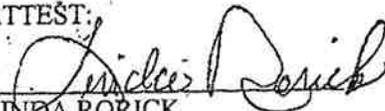
Section 7: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

PASSED ON FIRST READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 20<sup>th</sup> day of July, A.D., 2010.

APPROVED this the 20<sup>th</sup> day of July, A.D., 2010.

  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

ATTEST:

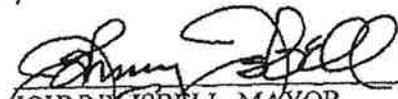
  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:

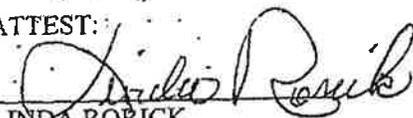
  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS

PASSED ON SECOND AND FINAL READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 27<sup>th</sup> day of July, A. D., 2010.

APPROVED this the 27<sup>th</sup> day of July, A.D., 2010.

  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

ATTEST:

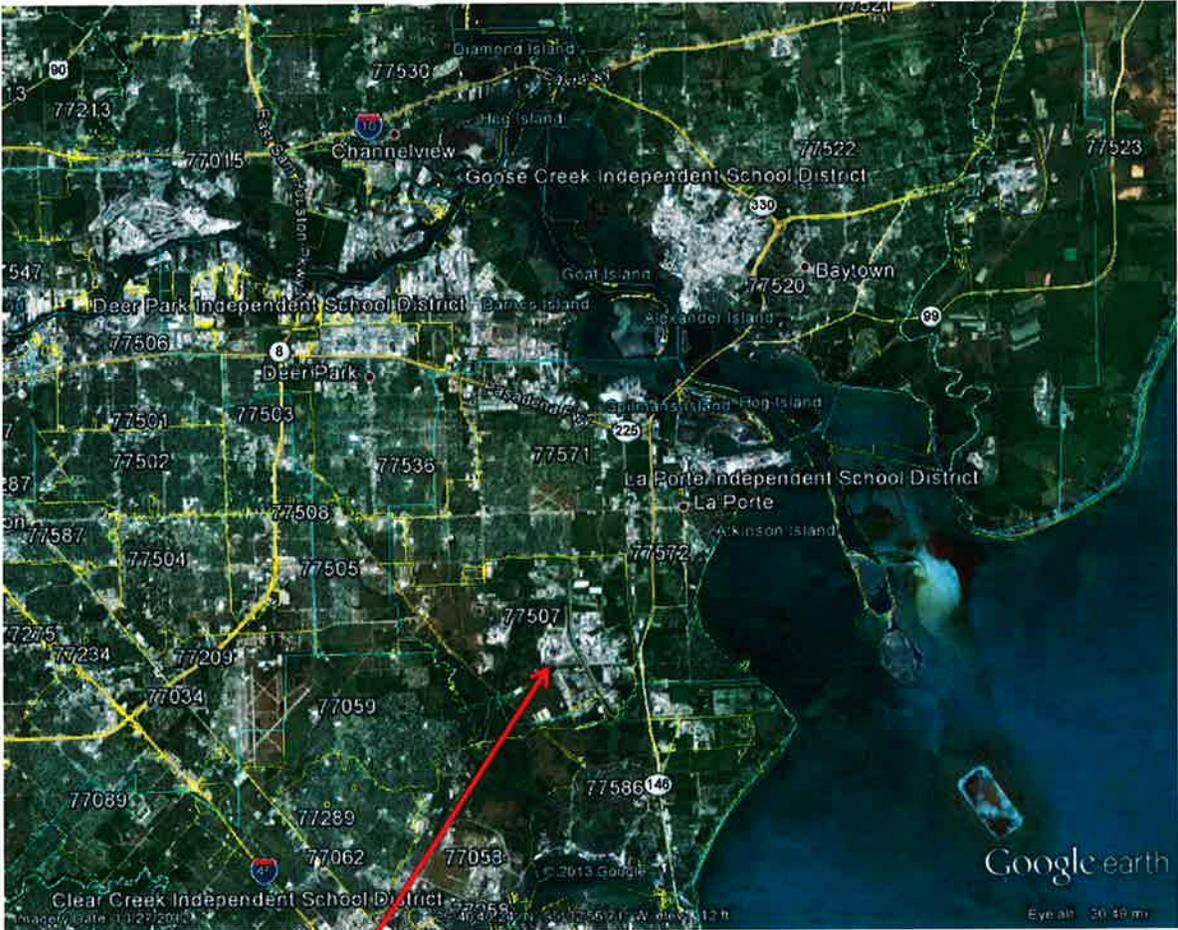
  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:

  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS

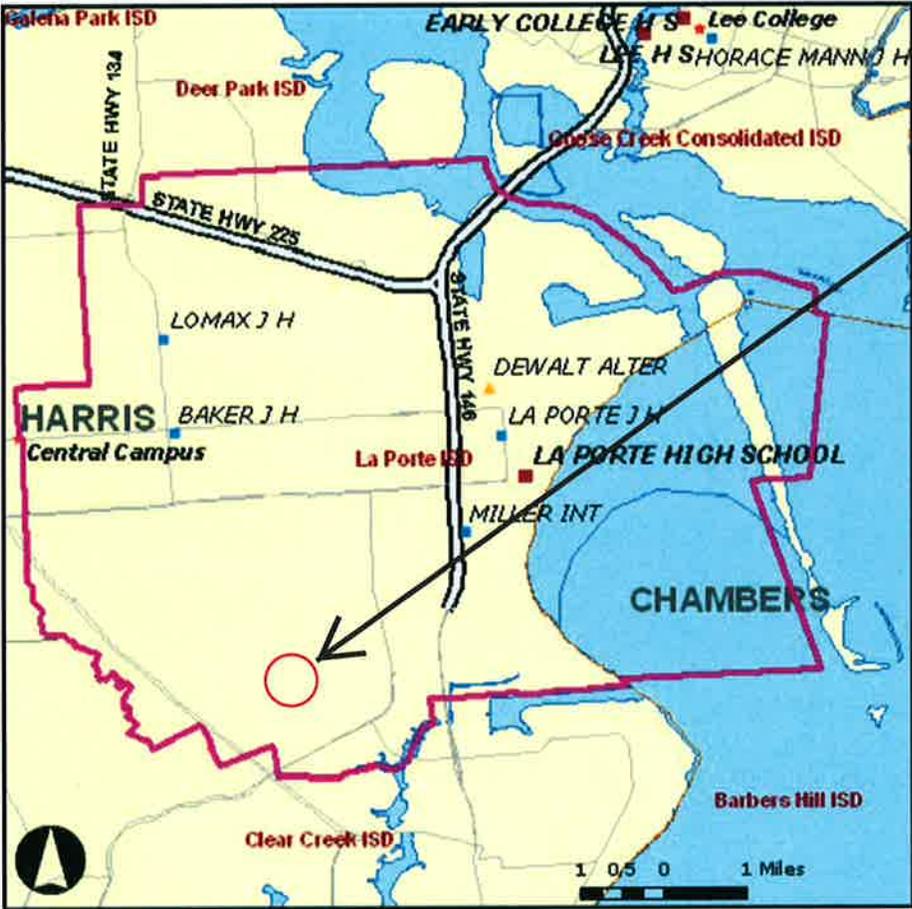


# Celanese Ltd. Vicinity Map



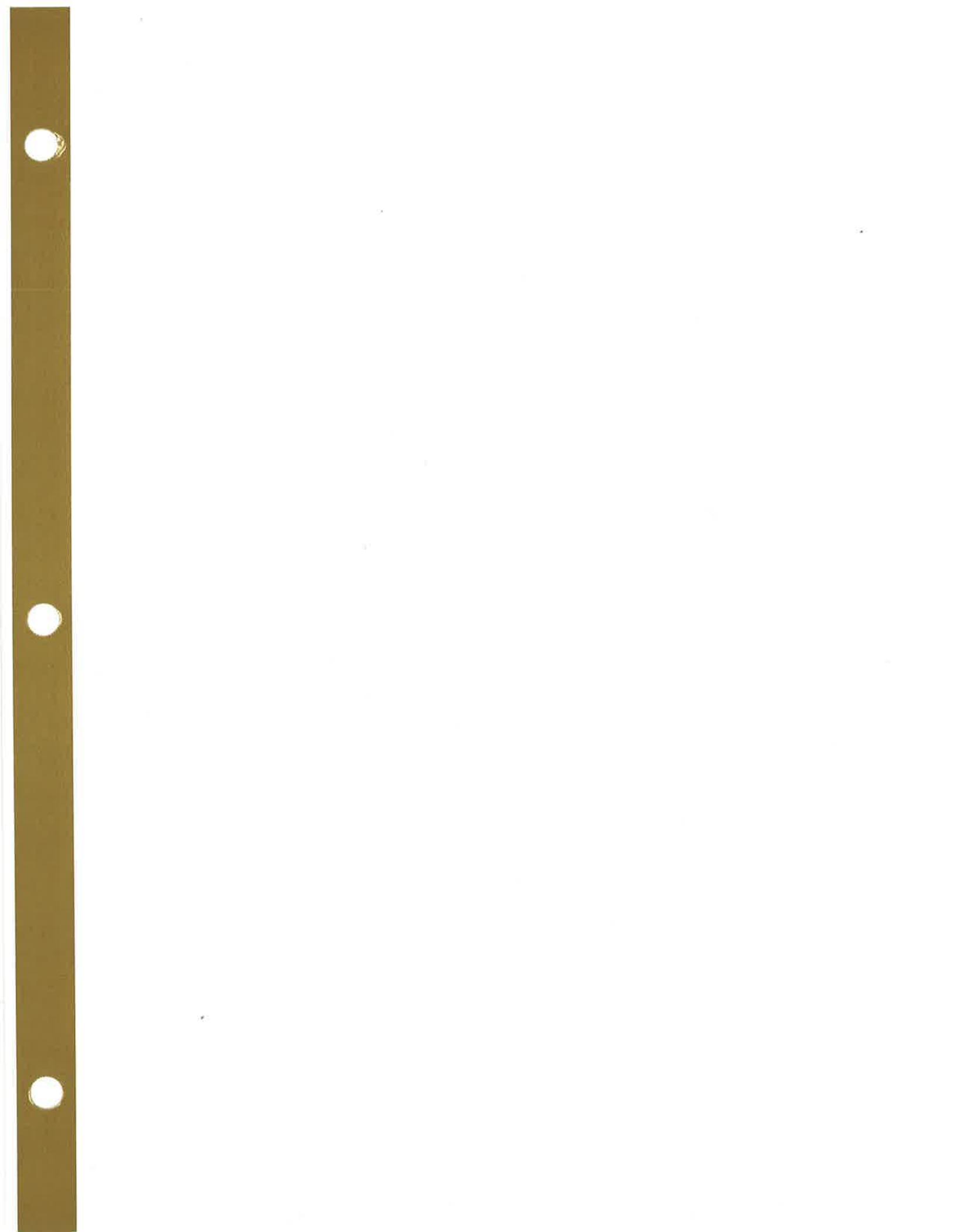
Project Site

# TEA Map of La Porte ISD



Project Site





## Attachment 22

Ordinance No. 2010-159 of the City Council of Pasadena, approved on July 20, 2010, established the reinvestment zone, and is attached.

**AGENDA REQUEST**

20  
NO: 2010-159

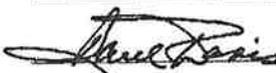
**ORDINANCE**       **RESOLUTION**

**CAPTION:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

**RECOMMENDATIONS & JUSTIFICATION:** To provide economic development incentives in the City for the retention and creation of jobs by nominating qualified industries for participation through the Texas Economic Development Bank in the Texas Enterprise Zone Program.

(IF ADDITIONAL SPACE IS REQUIRED, PLEASE ATTACH SECOND PAGE)

**COST:** \_\_\_\_\_      **TASK NO:** \_\_\_\_\_      **BUDGETED:** YES  NO   
**ACCOUNT NUMBER(S):** \_\_\_\_\_      **REQUESTING DEPARTMENT:** Economic Development

		COUNCIL ACTION	
			
<u>Paul Davis</u> REQUESTING PARTY (TYPED)	DATE: <u>7/14/2010</u>	FIRST READING:	FINAL READING:
_____	_____	<u>Cote</u> MOTION	<u>VanHoute</u> MOTION
<b>PURCHASING DEPARTMENT</b>			
<b>APPROVED:</b>			
_____		<u>Harrison</u> SECOND	<u>Brannon</u> SECOND
<b>CONTROLLER CERTIFICATION</b>			
<u>LEE CARK</u>		<u>7-20-10</u> DATE	<u>7-27-10</u> DATE
<b>CITY ATTORNEY</b>			
			
<b>MAYOR</b>		<b>DEFERRED:</b> _____	

Ordinance No. 159

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

WHEREAS, the City Council of the City of Pasadena, Texas desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such area; and

WHEREAS, the project or activity is not located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Celanese Corporation has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that Celanese Corporation meets the criteria for incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council on July 20, 2010 after publication in the local newspaper on July 9, 2010.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS THAT:

Section 1: The City nominates Celanese Corporation for enterprise project status.

Section 2: The following local incentives, at the election of the governing body, are may be made available to the nominated project or activity of the qualified business;

- a) If located within the City limits of the City of Pasadena, the City may abate taxes on the increase in value of real property improvements and eligible personal property that are located in a designated enterprise zone. The level of abatement shall be in accordance with the City of Pasadena tax abatement policy and the extent to which the business receiving the abatement:
  - 1) Creates jobs for qualified employees as defined by the Act;

- 2) Creates new additional value of eligible property improvements in an amount equal to or greater than the amount established by the City Council as a minimum.
- b) If located in the City's extraterritorial jurisdiction, the City may enter into an industrial district agreement which provides for in-lieu-of tax payments to the City and exemptions from: City ad valorem taxes; City sales tax; City utilities fees and other license or permit fees; rules and regulations governing plats and subdivisions of land; as well as exemptions from building, electrical, plumbing code or codes and tax abatement.
- c) If located within the City, the City may provide regulatory relief to businesses including:
  - 1) Exemptions from certain inspection fees; or
  - 2) Streamlined permitting.
- d) If located within the City, the City may provide business and industrial development services, including creation of special one-stop permitting and problem resolution process or ombudsman.
- e) If located within the City, the City may provide regulatory relief to businesses, including:
  - 1) Zoning changes or variances;
  - 2) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
  - 3) Streamlined permitting
- f) If located within the City, the City may provide enhanced municipal services to businesses, including:
  - 1) Improved police and fire protection;
  - 2) Institution of community crime prevention programs; or
  - 3) Special public transportation routes or reduced fares.
- g) If located within the City, the City may provide improvements in community facilities, including:
  - 1) Capital improvements in water and sewer facilities;
  - 2) Road repair; or
  - 3) Creation or improvement of parks.
- h) If located within the City, the City may provide improvements to housing, including:
  - 1) Low-interest loans for housing rehabilitation, improvement, or new construction; or
  - 2) Transfer of abandoned housing to individuals or community groups.
- i) If located within the City, the City may provide business and industrial development services, including:
  - 1) Low-interest loans for business;

- 2) Use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
  - 3) Provision of publicly owned land for development purposes, including residential, commercial, or industrial development;
  - 4) Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
  - 5) Promotion and marketing services.
- j) The City may provide job training and employment services to businesses, including:
- 1) Retraining programs;
  - 2) Literacy and employment skills programs;
  - 3) Vocational education; or
  - 4) Customized job training.

Section 3: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Section 4: The City of Pasadena City Council directs and designates its Economic Development Director as the City's liaison to communicate and negotiate with the Office of the Governor Economic Development Tourism (EDT) through the Texas Economic Development Bank and enterprise project (s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

Section 5: The City finds that Celanese Corporation meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- a) Celanese Corporation is a "qualified business" under Section 2303 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located outside of an enterprise zone and at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
- b) There has been and will continue to be high level of cooperation between public, private, and neighborhood entities in the area; and
- c) The designation of Celanese Corporation as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

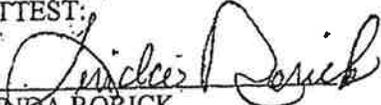
Section 6: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on September 1, 2015.

Section 7: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

PASSED ON FIRST READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 20<sup>th</sup> day of July, A.D., 2010.

APPROVED this the 20<sup>th</sup> day of July, A.D., 2010.

  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

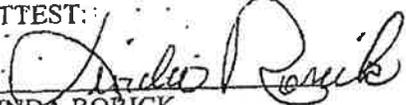
ATTEST:  
  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:  
  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS

PASSED ON SECOND AND FINAL READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 27<sup>th</sup> day of July, A. D., 2010.

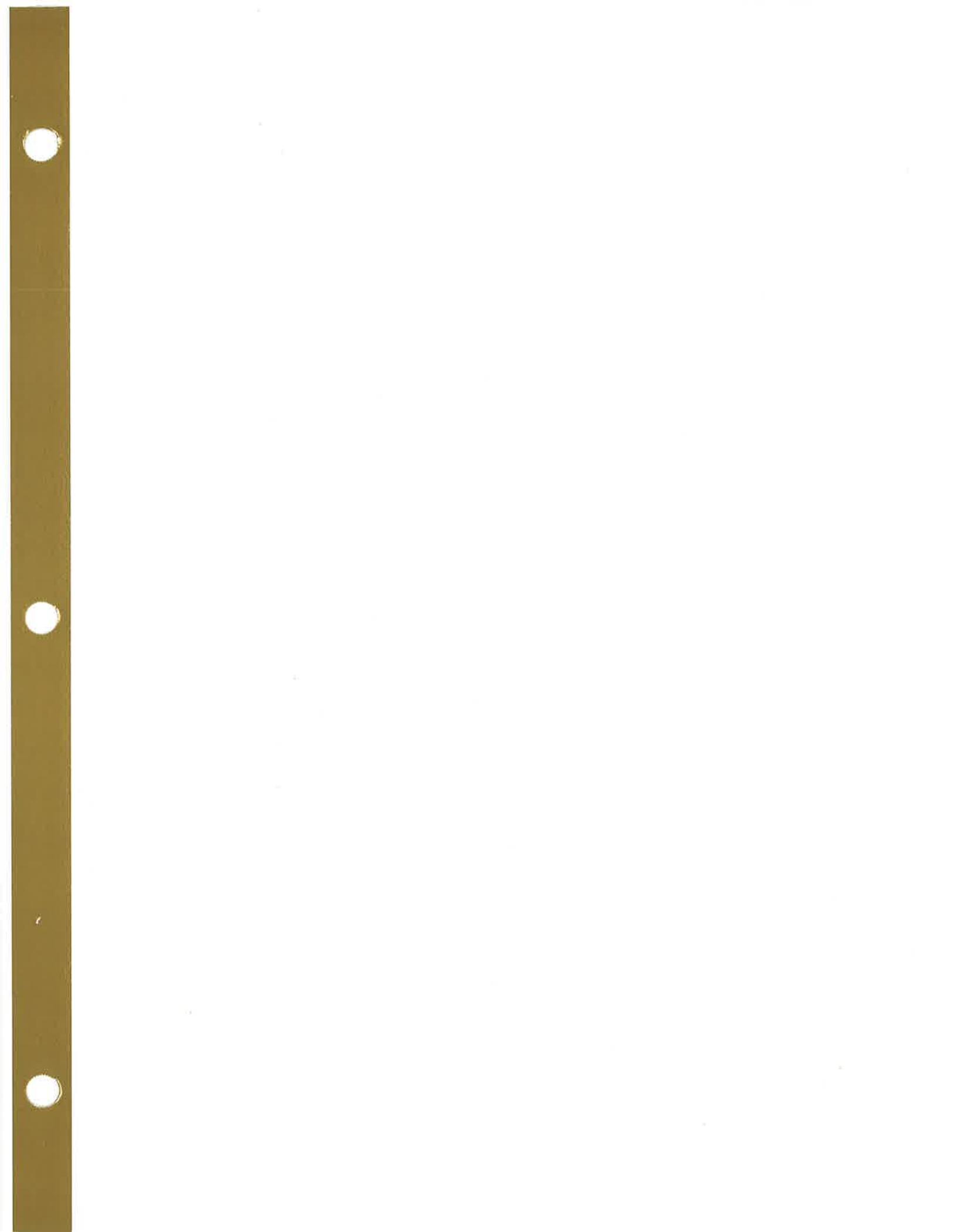
APPROVED this the 27<sup>th</sup> day of July, A.D., 2010.

  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

ATTEST:  
  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:  
  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS





## Attachment 23

The legal description of the proposed reinvestment zone is attached. Section 3 of Ordinance No. 2010-159 of the City Council of Pasadena, approved on July 20, 2010, established the reinvestment zone, and is attached.

**AGENDA REQUEST**

20 No: 2010-159

**ORDINANCE**       **RESOLUTION**

**CAPTION:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

**RECOMMENDATIONS & JUSTIFICATION:** To provide economic development incentives in the City for the retention and creation of jobs by nominating qualified industries for participation through the Texas Economic Development Bank in the Texas Enterprise Zone Program.

(IF ADDITIONAL SPACE IS REQUIRED, PLEASE ATTACH SECOND PAGE)

**COST:** \_\_\_\_\_      **TASK NO:** \_\_\_\_\_      **BUDGETED:** YES  NO   
**ACCOUNT NUMBER(S):** \_\_\_\_\_      **REQUESTING DEPARTMENT:** Economic Development

		COUNCIL ACTION	
 Paul Davis      DATE: 7/14/2010 REQUESTING PARTY (TYPED)		FIRST READING:	FINAL READING:
		<u>Cote</u> MOTION	<u>VanHoute</u> MOTION
PURCHASING DEPARTMENT			
APPROVED:			
		<u>Harrison</u> SECOND	<u>Brannon</u> SECOND
CONTROLLER CERTIFICATION			
 CITY ATTORNEY		<u>7-20-10</u> DATE	<u>7-27-10</u> DATE
 MAYOR		DEFERRED: _____	

Ordinance No. 159

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

WHEREAS, the City Council of the City of Pasadena, Texas desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such area; and

WHEREAS, the project or activity is not located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Celanese Corporation has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that Celanese Corporation meets the criteria for incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council on July 20, 2010 after publication in the local newspaper on July 9, 2010.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS THAT:

Section 1: The City nominates Celanese Corporation for enterprise project status.

Section 2: The following local incentives, at the election of the governing body, are may be made available to the nominated project or activity of the qualified business;

- a) If located within the City limits of the City of Pasadena, the City may abate taxes on the increase in value of real property improvements and eligible personal property that are located in a designated enterprise zone. The level of abatement shall be in accordance with the City of Pasadena tax abatement policy and the extent to which the business receiving the abatement:
  - 1) Creates jobs for qualified employees as defined by the Act;

- 2) Creates new additional value of eligible property improvements in an amount equal to or greater than the amount established by the City Council as a minimum.
- b) If located in the City's extraterritorial jurisdiction, the City may enter into an industrial district agreement which provides for in-lieu-of tax payments to the City and exemptions from: City ad valorem taxes; City sales tax; City utilities fees and other license or permit fees; rules and regulations governing plats and subdivisions of land; as well as exemptions from building, electrical, plumbing code or codes and tax abatement.
- c) If located within the City, the City may provide regulatory relief to businesses including:
  - 1) Exemptions from certain inspection fees; or
  - 2) Streamlined permitting.
- d) If located within the City, the City may provide business and industrial development services, including creation of special one-stop permitting and problem resolution process or ombudsman.
- e) If located within the City, the City may provide regulatory relief to businesses, including:
  - 1) Zoning changes or variances;
  - 2) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
  - 3) Streamlined permitting
- f) If located within the City, the City may provide enhanced municipal services to businesses, including:
  - 1) Improved police and fire protection;
  - 2) Institution of community crime prevention programs; or
  - 3) Special public transportation routes or reduced fares.
- g) If located within the City, the City may provide improvements in community facilities, including:
  - 1) Capital improvements in water and sewer facilities;
  - 2) Road repair; or
  - 3) Creation or improvement of parks.
- h) If located within the City, the City may provide improvements to housing, including:
  - 1) Low-interest loans for housing rehabilitation, improvement, or new construction; or
  - 2) Transfer of abandoned housing to individuals or community groups.
- i) If located within the City, the City may provide business and industrial development services, including:
  - 1) Low-interest loans for business;

- 2) Use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
  - 3) Provision of publicly owned land for development purposes, including residential, commercial, or industrial development;
  - 4) Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
  - 5) Promotion and marketing services.
- j) The City may provide job training and employment services to businesses, including:
- 1) Retraining programs;
  - 2) Literacy and employment skills programs;
  - 3) Vocational education; or
  - 4) Customized job training.

Section 3: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Section 4: The City of Pasadena City Council directs and designates its Economic Development Director as the City's liaison to communicate and negotiate with the Office of the Governor Economic Development Tourism (EDT) through the Texas Economic Development Bank and enterprise project (s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

Section 5: The City finds that Celanese Corporation meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- a) Celanese Corporation is a "qualified business" under Section 2303 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located outside of an enterprise zone and at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
- b) There has been and will continue to be high level of cooperation between public, private, and neighborhood entities in the area; and
- c) The designation of Celanese Corporation as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

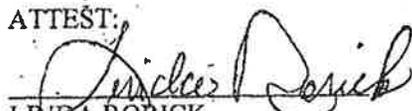
Section 6: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on September 1, 2015.

Section 7: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

PASSED ON FIRST READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 20<sup>th</sup> day of July, A.D., 2010.

APPROVED this the 20<sup>th</sup> day of July, A.D., 2010.

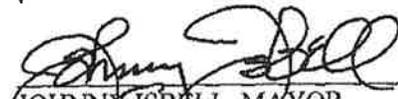
  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

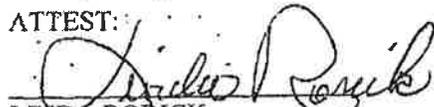
ATTEST:  
  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:  
  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS

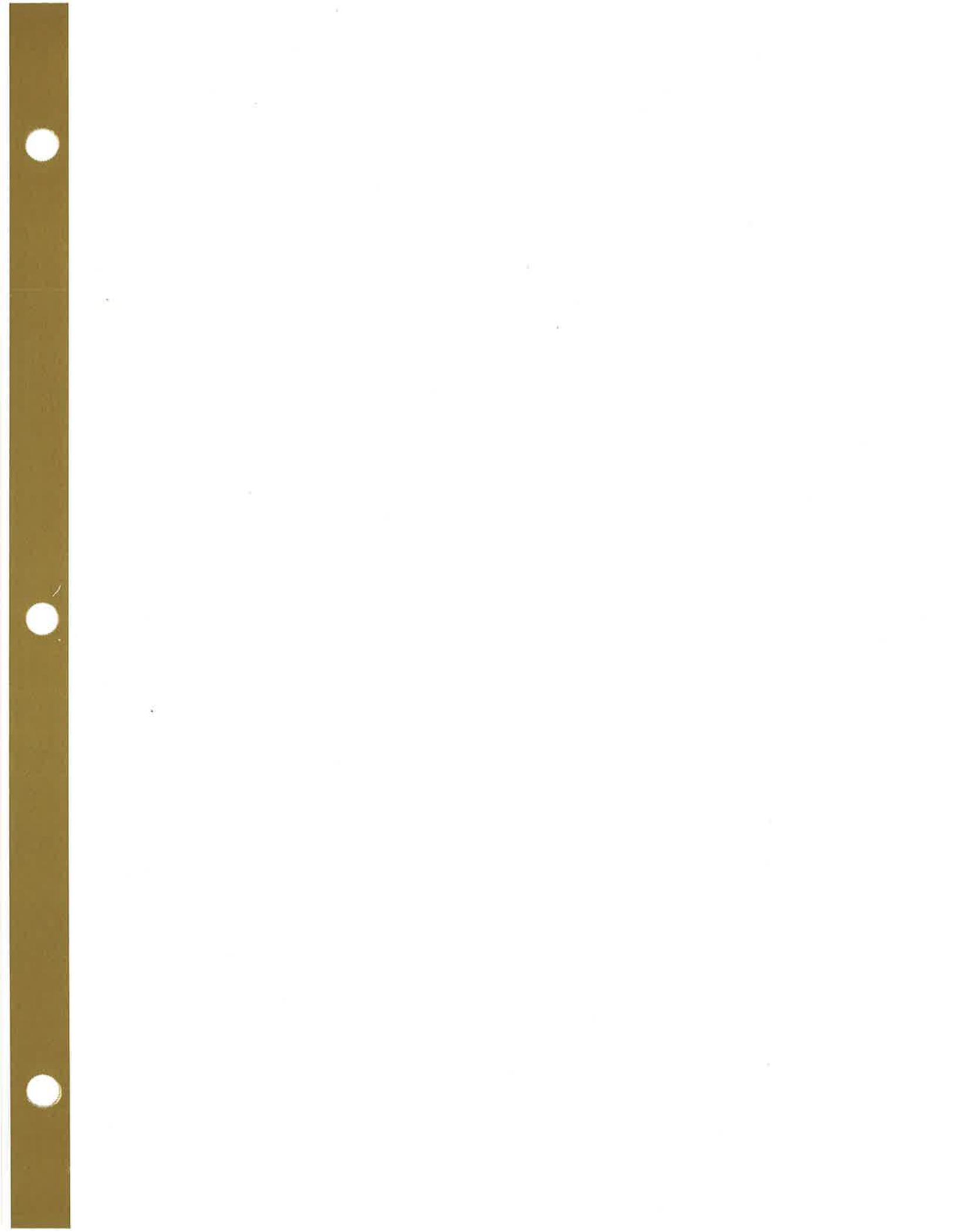
PASSED ON SECOND AND FINAL READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 27<sup>th</sup> day of July, A. D., 2010.

APPROVED this the 27<sup>th</sup> day of July, A.D., 2010.

  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

ATTEST:  
  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:  
  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS



## Attachment 24

Tax abatement guidelines for Harris County are attached. Ordinance No. 2010-159 of the City Council of Pasadena is attached.



# ***HARRIS COUNTY, TEXAS***

---

**COMMISSIONERS COURT:**

**ED EMMETT**

COUNTY JUDGE

**EL FRANCO LEE**

COMMISSIONER, PRECINCT 1

**JACK MORMAN**

COMMISSIONER, PRECINCT 2

**STEVE RADACK**

COMMISSIONER, PRECINCT 3

**R. JACK CAGLE**

COMMISSIONER, PRECINCT 4

c/o Community Services Dept.  
8410 Lantern Point Drive  
Houston, Texas 77054  
(713) 578-2000

## **GUIDELINES & CRITERIA FOR GRANTING TAX ABATEMENT IN A REINVESTMENT ZONE CREATED IN HARRIS COUNTY**

**Whereas**, the creation and retention of job opportunities that bring new wealth is the highest civic priority; and

**Whereas**, new jobs and investment will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

**Whereas**, the communities within Harris County must compete with other localities across the nation currently offering tax inducements to attract jobs and investments; and

**Whereas**, any tax incentives offered in Harris County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

**Whereas**, any tax incentives should not have a substantial adverse effect on the competitive position of existing companies operating in Harris County; and

**Whereas**, tax incentives should not be used to attract those industries that have demonstrated a lack of commitment to protecting our environment, but should be used to encourage projects designed to protect our environment; and

**Whereas**, the abatement of property taxes, when offered to attract primary jobs in industries which bring in money from outside a community instead of merely re-circulating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and

**Whereas**, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatements prior to granting any tax abatement, said Guidelines and Criteria to be unchanged for a two-year period unless amended by a three-quarters vote; and

**Whereas**, to assure a common, coordinated effort to promote our communities' economic development, any such Guidelines and Criteria should be adopted only through the cooperation of municipalities, taxing jurisdictions, and Harris County; and

**Whereas**, Harris County Commissioners Court has approved the circulation of Guidelines and Criteria to affected taxing jurisdictions for consideration as a common policy for all jurisdictions choosing to participate in tax abatement agreements;

**Now**, therefore, be it resolved that Harris County does hereby adopt these Guidelines and Criteria for granting tax abatements within reinvestment zones created in Harris County.

## SECTION 1 DEFINITIONS

- (a) "**Abatement**" means partial exemption from ad valorem taxes of certain real property (including fixed-in-place machinery & equipment) in a reinvestment zone designated for economic development purposes.
- (b) "**Eligible Jurisdiction**" means Harris County ("the County") and any municipality or other taxing jurisdiction eligible to abate its taxes according to Texas law that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone.
- (c) "**Agreement**" means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- (d) "**Base Year Value**" means the appraised value in the reinvestment zone on January 1 preceding the effective date of the tax abatement agreement, plus the agreed upon value of eligible property improvements made after January 1 but before the effective date of the agreement, or the sales price, if the property was conveyed subsequent to January 1, whichever is greater.
- (e) "**Competitively-Sited Project**" means a project where the applicant has completed a written evaluation of competing locations for expansion, relocation, or new operations, including identification of specific sites in those locations.
- (f) "**Economic Life**" means the number of years a property improvement is expected to be in service in a reinvestment zone.
- (g) "**Employee**" means a person whose employment is both permanent and fulltime, who works for and is an employee of the Owner or an employee of a Contractor, who works a minimum of 1,750 hours per year exclusively within the reinvestment zone, who receives industry-standard benefits, and whose employment is reflected in the Owner's (and Contractor's, if applicable) quarterly report filed with the Texas Workforce Commission("TWC"); but *excluding* any direct contract (seasonal, part-time, and full-time equivalent).
- (h) "**Expansion**" means the addition of buildings, structures, fixed machinery or equipment for purposes of increasing production capacity.
- (i) "**Facility**" means property improvements completed or in the process of construction which together comprise an integral whole.

- (j) "**Manufacturing Facility**" means buildings and structures, including fixed-in-place machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (k) "**New Facility**" means a property, previously undeveloped, which is placed into service by means other than or in conjunction with expansion or modernization.
- (l) "**Other Basic Industry Facility**" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which primarily serve a market in the creation of new permanent employment and bring in new wealth.
- (m) "**Regional Distribution Center Facility**" means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator where a majority of the goods or services are distributed to points at least 100 miles from any part of the County.
- (n) "**Regional Entertainment Facility**" means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of users reside at least 100 miles from any part of the County.
- (o) "**Regional Service Facility**" means buildings and structures, including fixed machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate at least 100 miles from any part of the County.
- (p) "**Research Facility**" means building and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (q) "**Research & Development Facility**" means buildings and structures, including fixed-in-place machinery and equipment, used or to be used entirely for research or experimentation to improve or develop current technology in biomedicine, electronics or pre-commercial emerging industries.

## SECTION 2 ABATEMENT AUTHORIZED

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Regional Distribution Center Facility, Regional Service Facility, Regional Entertainment Facility, Research and Development Facility or Other Basic Industry Facility.

- (b) **Creation of New Value.** Abatement may only be granted for the additional value of eligible real property (including fixed-in-place machinery and equipment) listed in an agreement between the County and the property owner and lessee (if applicable), subject to such limitations as Commissioners Court and the Texas Property Tax Code may require.
- (c) **Eligible Property.** An abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility. The value of all property shall be the Certified Appraised Value for each year, as finally determined by the Harris County Appraisal District (“HCAD”).
- (d) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; deferred maintenance investments; property to be rented or leased (except as provided in “Leased Facilities,” below); property with an economic life of less than 15 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas, or any property exempted by local, state or federal law. When such exempted property includes manufacturing machinery and equipment listed in the Investment Budget (as required in “Application”), then the value of such property may not be included toward the achievement of investment or valuation thresholds set out in the Agreement.
- (e) **Leased Facility.** If a leased facility is granted a tax abatement, then the Agreement shall be executed with both the lessor (owner) and the lessee.
- (f) **Value and Term of Abatement.** A tax abatement shall be granted in accordance with the terms of a tax abatement agreement, as follows:
1. Projects are eligible for abatement of new value, subject to an abatement cap: to be calculated as \$1,000,000 per job created/retained times the number of such jobs as required in a tax abatement agreement. Such cap shall not exceed the increased value requirement as set out in the Agreement, and will be adjusted annually. To determine the amount of the abatement each year, the Adjusted Cap shall be multiplied by up to 50 percent, up to a total of 10 years. Under no circumstance will any facility receive the benefit of a tax abatement for more than 10 years. The value of eligible property must remain greater than or equal to the contractually-defined minimum value requirement.
  2. No tax abatement shall be given in any year in which the facility fails to meet the contractually-defined minimum value requirement.
  3. No tax abatement shall be given in any year in which the facility fails to meet the contractually-defined employment creation and retention requirement.

4. The Agreement shall set out in detail the exact method to be used in computing the tax abatement in each year.

**(g) Basic Qualifications for Tax Abatement.** To be eligible for designation as a reinvestment zone and receive tax abatement the planned improvement:

1. must be shown to increase the appraised value of the property at least **\$1,000,000** upon completion of the contractually-defined construction period;
2. must be shown to directly create or prevent the loss of permanent full-time employment for at least **25** people within the reinvestment zone upon completion of the contractually-defined employment period;
3. must be **competitively-sited**; and
4. must be shown not to solely or primarily have the effect of transferring employment from one part of the County to another.

**(h) Taxability.** From execution to expiration of Agreement, taxes shall be payable as follows:

1. value of ineligible property in the reinvestment zone shall be fully taxable;
2. non-abatable real property in the reinvestment zone shall be fully taxable each year;
3. additional value of new eligible property shall be taxable in the manner described in "Value and Term of Abatement;"
4. if Base Year Value decreases during the term of a tax abatement or if an additional exemption is granted by the state or federal government, then the maximum amount of abatable value to be used in abatement calculation ("the Cap") will be reduced each year at the same rate; and
5. each year the exemption will be computed by HCAD in the following manner:
  - Current Property Value will be the current appraised value of all Eligible property and existing property within the reinvestment zone for the year in which the Abatement Agreement is executed.
  - Base Year Value will be subtracted from the Current Property Value, the result to be called "Current Amount Eligible for Abatement," provided the result is greater than or equal to the value of Eligible property. In no case may this amount exceed the lower of the Cap (see (h)4.) or the Adjusted Cap (see (f)1.).
  - Current Amount Eligible for Abatement is multiplied by up to 50% to determine the amount of exemption in each year, after adjustment is made to the Cap, if applicable.

(i) **Environmental and Worker Safety Qualification.** In determining whether to grant a tax abatement, consideration will be given to compliance with all state and federal laws designed to protect human health, welfare and the environment (“environmental laws”) that are applicable to all facilities in the State of Texas owned or operated by the owner of the facility or lessee, its parent, subsidiaries and, if a joint venture or partnership, every member of the joint venture or partnership (“applicants”). Consideration may also be given to compliance with environmental and worker safety laws by applicants at other facilities within the United States.

(j) **Leadership in Energy and Environmental Design (LEED®) Tax Abatement:** If the owner of new commercial construction has registered with the U.S. Green Building Council (“USGBC”) seeking LEED Certification, then the County Community Services Department (“CSD”) may recommend approval of a partial tax abatement for the incremental investment associated with obtaining such certification. The Agreement shall be effective up to 10 years, at a percentage based upon the level of certification actually obtained after completion of construction:

- LEED Certification Level and “Imputed LEED-Related Value Increment:”
  1. Certified (Basic) Level            1.0%
  2. Silver Level                            2.5%
  3. Gold Level                              5.0%
  4. Platinum Level                        10%
  
- The minimum value increase requirement derived from the “Imputed LEED-Related Value Increment” to meet the eligibility test is **\$100,000**.
  
- This type of tax abatement may be sought by an applicant of the County’s standard economic development tax abatement, or as a stand-alone tax abatement. When an applicant seeks only a LEED Certification Tax Abatement, no job creation target or competitive siting will be required in order to qualify. The investment requirement will be at least **\$1 million** for a commercial structure with Platinum LEED Certification, and at least **\$10 million** for a commercial with the Basic Certification (assumes percentages from preceding table and minimum value increase of **\$100,000**).
  
- Applicant must be registered with USGBC seeking LEED Certification, prior to submitting its application to the County.
  
- The application for a LEED Certification Tax Abatement must be submitted to the County prior to commencing construction of the applicable new development. A non-refundable application fee of **\$1,000** specifically for “LEED Certification Tax Abatement,” made payable to Harris County, must be provided to the County with an application.

- The Agreement shall become effective in the year the application is approved by Commissioners Court and effective up to 10 years. However, the tax abatement benefit (i.e., partial exemption of value from ad valorem taxes) shall not commence until construction of the project is completed and LEED Certification is obtained by the applicant. The value of the tax abatement shall be calculated on the appraised value after LEED Certification is obtained.
- The value of the tax abatement may be increased by up to **\$1,000** in the final year of the Agreement, at the County’s discretion.

**(k) Additional Incentive for Locating New Project in HUD-Designated Low Income Target Area in the County.** Construction of a new eligible facility in a “HUD-Designated Low-Income Target Area” within the County, as determined on the application date, may enable CSD to recommend that Commissioners Court approve an additional tax abatement up to 10%.

- A qualifying project must nevertheless meet the three basic requirements to for an economic development tax abatement: (1) creation of at least \$1 million in new tax roll value, (2) creation of at least 25 new permanent full-time jobs, and (3) competitive siting.
- A specific “Target Area Project Site Incentive” provision must be contained in the Agreement approved by Commissioners Court and cannot be added at a later date.

**(l) Additional Incentive for Full-Time Permanent Job Creation for Residents of HUD-Designated Low Income Target Areas in the County.** Construction of a new eligible facility resulting in creation of jobs for residents of “HUD-Designated Low-Income Target Areas” within the County, as determined on application date, may enable CSD to recommend that Commissioners Court approve an additional tax abatement, per the following table:

1. 10 jobs (up to 24)	2.0% increase in tax abatement
2. 25 jobs (up to 49)	5.0% increase in tax abatement
3. 50 jobs (up to 99)	10% increase in tax abatement
4. 100 jobs (or more)	20% increase in tax abatement.

- A qualifying project must nevertheless meet the three basic requirements to for an economic development tax abatement: (1) creation of at least \$1 million in new tax roll value, (2) creation of at least 25 new permanent full-time jobs, and (3) competitive siting.
- Compliance shall be monitored annually based on W-2s and other pertinent employee-specific data to be required/requested from employer as needed. A specific “Target Area Employment Incentive” provision must be contained in the Agreement approved by Commissioners Court and cannot be added at a later date.

### SECTION 3 APPLICATION

- (a) **Timely application:** Any current or potential owner or lessee of taxable property in the County may request a tax abatement by filing a completed application with the CSD prior to any public expression of a siting decision or any commitment (legal or financial) to the proposed project.
- (b) **A complete application package** for consideration of a tax abatement shall consist of:
- a completed Harris County Application form;
  - a non-refundable check in the amount of \$1,000 payable to Harris County.
  - a completed narrative prepared in accordance with the template provided with the County Application and its instructions;
  - an “Investment Budget” detailing components and costs of the real property improvements and fixed-in-place improvements for which tax abatement is requested, including type, number, economic life, and eligibility for a tax exemption granted by the Texas Commission on Environmental Quality (“TCEQ”), if known;
  - a map and legal description of the property;
  - a time schedule for undertaking and completing the proposed improvements;
  - a ten-year environmental and worker safety compliance history for all facilities located within the State of Texas and owned in whole or in part by applicants, as defined in “Environmental and Worker Safety Qualification;”
  - a copy of the evaluation of competing locations;
  - information pertaining to the reasons that the requested tax abatement is necessary to ensure that the proposed project is built in the County (i.e., documentation supporting assertion that “but for” a tax abatement, the stated project could not be constructed in the County);
  - copies of the immediately preceding 4 quarterly reports filed with the TWC, documenting the current number of permanent full-time employees, and full-time Contractor employees, if any, at the time the application is submitted;
  - financial and other information, as the County deems appropriate for evaluating the financial capacity and other factors of the applicant;
  - certification prepared by County Tax Assessor-Collector stating that all tax accounts within the County are paid on a current basis;
  - *for a leased facility*, the applicant shall provide with the application the name and address of the lessor and a draft copy of the proposed lease, or option

contract. In the event a lease or option contract has already been executed with owner of site, the document must include a provision whereby abatement applicant may terminate such contract without penalty or loss of earnest money, in the event that the County does not grant a tax abatement.

- (c) Upon receipt of a completed application, CSD shall determine whether a project qualifies for a tax abatement under these guidelines and criteria. If CSD determines that it qualifies, then the department shall schedule a public hearing, request creation of a reinvestment zone, and request approval of a tax abatement agreement, in accordance with the Tax Code.
- (d) The County shall not establish a reinvestment zone or enter into a tax abatement agreement if it finds that an application was received after a project commenced construction or installation of improvements. Property eligible for abatement includes only new improvements commencing after approval of an agreement with the County.

#### **SECTION 4 PUBLIC HEARING & APPROVAL**

- (a) The Commissioners Court may not adopt a resolution designating a reinvestment zone for the purposes of considering approval of a tax abatement Agreement until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least 13 days prior to the public hearing.
- (b) At the public hearing, interested persons shall be entitled to speak and present written materials for or against the approval of the proposed project or Agreement.
- (c) Any variance to these guidelines must be approved by a vote of at least three-fourths (3/4) of the Commissioners Court.
- (d) In order to enter into a tax abatement agreement, Commissioners Court must find that the terms of the proposed agreement conform to these Guidelines and Criteria and that:
  - 1. there will be no substantial adverse effect on the provision of the jurisdictions' service or tax base; and
  - 2. the planned use of the property will not constitute a hazard to public safety, health or morals.

#### **SECTION 5 AGREEMENT**

After approval the County shall formally pass a resolution and execute an Agreement with the owner of the facility (or lessee, where applicable) as required which shall include:

- (a) estimated value to be abated;
- (b) percent of value to be abated each year as provided in "Abatement Authorized";
- (c) the commencement date and the termination date of abatement;
- (d) the proposed use of the facility; nature of construction, time schedule, survey, property description and improvement list;
- (e) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in "Abatement Authorized," "Recapture," "Administration," and "Assignment," or other provisions that may be required for uniformity or by state law;
- (f) amount of investment, increase in appraised value and number of jobs involved, as provided in "Abatement Authorized;"
- (g) a requirement that the applicant annually submit to HCAD and CSD, a January employee count for the abated facility which corresponds to employee counts reported in the facility Employer's Quarterly Report to the TWC for the quarter most recently ended at calendar year-end, and a separate notarized letter certifying the number of jobs created or retained as a direct result of the abated improvements and the number of employees in other facilities located within Harris County and the compliance with the environmental and worker safety requirements in the Agreement for the preceding calendar year, for as of January 1. Submission shall be used to determine abatement eligibility and shall be subject to audit if requested by the governing body. Failure to submit will result in the ineligibility to receive an abatement; and
- (h) a requirement that the owner or lessee will (a) obtain and maintain all required permits and other authorizations from the United States Environmental Protection Agency and the TCEQ for the construction and operation of its facility and for the storage, transport and disposal of solid waste; and (b) seek a permit from the TCEQ for all grandfathered units on the site of the abated facility by filing with the TCEQ, within three years of receiving the abatement, a technically complete application for such a permit.

Such Agreement normally shall be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County.

## **SECTION 6 RECAPTURE**

- (a) If the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason for a period of 180 days while the Agreement is active, or one year in the event of natural disaster, then the Agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that

calendar year shall be paid to the County within 60 days from the date of termination. The company or individual shall notify the County in writing at the address stated in the Agreement within 10 days from any discontinuation, stating the reason for the discontinuation and the projected length of the discontinuation. If the County determines that such requirement has not been complied with, the Agreement may be terminated immediately and all taxes previously abated by virtue of the Agreement may be recaptured and paid within 60 days of the termination.

- (b) If the company is in default according to the terms and conditions of its Agreement, the company or individual shall notify the County in writing at the address stated in the Agreement within 10 days from the default, and cure such default within 60 days from the date of the default (“Cure Period”). If the County determines that such requirement has not been complied with, the Agreement may be terminated immediately and all taxes previously abated by virtue of the Agreement may be recaptured, together with interest at 6% per annum calculated from the effective date of the Agreement and paid within 60 days of the termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- (c) If the company allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for its protest and/or contest, the Agreement then may be terminated, and all taxes previously abated by the Agreement may be recaptured and paid within 60 days of the termination, and penalties and interest may be assessed as set out in herein.

## SECTION 7 ADMINISTRATION

- (a) HCAD annually shall determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving a tax abatement shall furnish the HCAD and CSD with such information as may be necessary for the abatement. After value has been established, the HCAD shall notify the affected taxing jurisdictions of the certified appraised value.
- (b) The Agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 24 hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with the facility’s safety standards.
- (c) Upon completion of construction, CSD annually shall evaluate each facility receiving an abatement to ensure compliance with its Agreement and report violations to the County Attorney, the Commissioners Court, and affected taxing jurisdictions.

## **SECTION 8 ASSIGNMENT**

A tax abatement Agreement may be assigned to a new owner or lessee of a facility with the written consent of the Commissioners Court, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the Agreement. Any assignment shall be to an owner that continues the same improvements or repairs to the property (except to the extent such improvements or repairs have been completed), and continues the same use of the facility as stated in the original Agreement with the initial applicant. No assignment shall be approved if the assignor or the assignee is indebted to the County for past due ad valorem taxes or other obligations.

## **SECTION 9 NON-COMPETE AGREEMENTS**

A tax abatement shall not be granted for projects whose competitive siting consists **only** of counties that have agreed with the County to forego the use of tax incentives to compete for such projects.

## **SECTION 10 SUNSET PROVISION**

These Guidelines and Criteria are **effective April 1, 2012**, and will remain in force **until March 31, 2014**, at which time all tax abatement contracts created pursuant to these provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed, or eliminated.

**Re-Adopted by Harris County  
Commissioners Court March 27, 2012**



Ordinance No. 159

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING CELANESE CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

WHEREAS, the City Council of the City of Pasadena, Texas desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such area; and

WHEREAS, the project or activity is not located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Celanese Corporation has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that Celanese Corporation meets the criteria for incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council on July 20, 2010 after publication in the local newspaper on July 9, 2010.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PASADENA, TEXAS THAT:

Section 1: The City nominates Celanese Corporation for enterprise project status.

Section 2: The following local incentives, at the election of the governing body, are may be made available to the nominated project or activity of the qualified business;

- a) If located within the City limits of the City of Pasadena, the City may abate taxes on the increase in value of real property improvements and eligible personal property that are located in a designated enterprise zone. The level of abatement shall be in accordance with the City of Pasadena tax abatement policy and the extent to which the business receiving the abatement:
  - 1) Creates jobs for qualified employees as defined by the Act;

- 2) Creates new additional value of eligible property improvements in an amount equal to or greater than the amount established by the City Council as a minimum.
- b) If located in the City's extraterritorial jurisdiction, the City may enter into an industrial district agreement which provides for in-lieu-of tax payments to the City and exemptions from: City ad valorem taxes; City sales tax; City utilities fees and other license or permit fees; rules and regulations governing plats and subdivisions of land; as well as exemptions from building, electrical, plumbing code or codes and tax abatement.
- c) If located within the City, the City may provide regulatory relief to businesses including:
  - 1) Exemptions from certain inspection fees; or
  - 2) Streamlined permitting.
- d) If located within the City, the City may provide business and industrial development services, including creation of special one-stop permitting and problem resolution process or ombudsman.
- e) If located within the City, the City may provide regulatory relief to businesses, including:
  - 1) Zoning changes or variances;
  - 2) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
  - 3) Streamlined permitting
- f) If located within the City, the City may provide enhanced municipal services to businesses, including:
  - 1) Improved police and fire protection;
  - 2) Institution of community crime prevention programs; or
  - 3) Special public transportation routes or reduced fares.
- g) If located within the City, the City may provide improvements in community facilities, including:
  - 1) Capital improvements in water and sewer facilities;
  - 2) Road repair; or
  - 3) Creation or improvement of parks.
- h) If located within the City, the City may provide improvements to housing, including:
  - 1) Low-interest loans for housing rehabilitation, improvement, or new construction; or
  - 2) Transfer of abandoned housing to individuals or community groups.
- i) If located within the City, the City may provide business and industrial development services, including:
  - 1) Low-interest loans for business;

- 2) Use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
  - 3) Provision of publicly owned land for development purposes, including residential, commercial, or industrial development;
  - 4) Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
  - 5) Promotion and marketing services.
- j) The City may provide job training and employment services to businesses, including:
- 1) Retraining programs;
  - 2) Literacy and employment skills programs;
  - 3) Vocational education; or
  - 4) Customized job training.

Section 3: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Section 4: The City of Pasadena City Council directs and designates its Economic Development Director as the City's liaison to communicate and negotiate with the Office of the Governor Economic Development Tourism (EDT) through the Texas Economic Development Bank and enterprise project (s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

Section 5: The City finds that Celanese Corporation meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

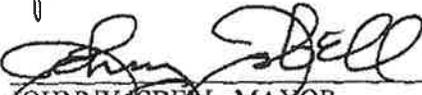
- a) Celanese Corporation is a "qualified business" under Section 2303 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located outside of an enterprise zone and at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
- b) There has been and will continue to be high level of cooperation between public, private, and neighborhood entities in the area; and
- c) The designation of Celanese Corporation as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

Section 6: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on September 1, 2015.

Section 7: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

PASSED ON FIRST READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 20<sup>th</sup> day of July, A.D., 2010.

APPROVED this the 20<sup>th</sup> day of July, A.D., 2010.

  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

ATTEST:  
  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

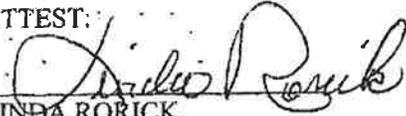
APPROVED AS TO FORM:

  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS

PASSED ON SECOND AND FINAL READING by the City Council of the City of Pasadena, Texas in regular meeting in the City Hall this the 27<sup>th</sup> day of July, A. D., 2010.

APPROVED this the 27<sup>th</sup> day of July, A.D., 2010.

  
JOHNNY ISBELL, MAYOR  
OF THE CITY OF PASADENA, TEXAS

ATTEST:  
  
LINDA RORICK  
CITY SECRETARY  
CITY OF PASADENA, TEXAS

APPROVED AS TO FORM:

  
LEE CLARK  
CITY ATTORNEY  
CITY OF PASADENA, TEXAS