



AUDIE SCIUMBATO
Licensed in Texas and New Mexico
Phone: 806.364.2626
Fax: 806.364.9368
www.uwlaw.com
Audie.Sciumbato@uwlaw.com

ADDRESS:
145 W. 3rd Street
Hereford, Texas
MAILING ADDRESS:
P.O. Box 1655
Hereford, TX 79045

July 16, 2015

Jenny Hicks
John Villarreal
Stephanie Jones
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Via Email and Federal Express

Re: 313 Application – Orion Wind Resources, LLC

Dear Jenny, John and Stephanie:

Enclosed please find an application for appraised value limitation on qualified property submitted to Dimmitt ISD by Orion Wind Resources, LLC, on June 25, 2015, along with the applicant's request to treat certain materials as "CONFIDENTIAL," and the schedules in Excel format. The confidential material has been separated from the application (by tab in the notebook and a separate PDF in electronic form). A CD containing these documents is also enclosed.

The Dimmitt ISD Board elected to accept the application on June 25, 2015. The application was determined to be complete on July 16, 2015. We ask that the Comptroller's Office prepare the economic impact report for this development.

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

Sincerely,

A handwritten signature in black ink that reads "Audie Sciumbato". The signature is fluid and cursive, with a large initial "A" and a long, sweeping tail.

Audie Sciumbato, PhD

Encl.
JLD3V0SR0D25LC
cc: Chief Appraiser, Castro County Appraisal District
Brandon Westlake, Cummings Westlake, LLC

ORION WIND RESOURCES LLC

**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO DIMMITT ISD**

Comptroller Copy

TAB 1

Pages 1 through 9 of application.



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

Economic Development
and Analysis
Form 50-296-A

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 hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, 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 website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value 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 not later than the 150th 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 issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

June 25, 2015

Date Application Received by District

Brian Davis

First Name Last Name

Superintendent

Title

Dimmitt ISD

School District Name

608 W. Halsell St.

Street Address

608 W. Halsell St.

Mailing Address

Dimmitt TX 79027

City State ZIP

(806) 647-3101 Ext.511 (806) 647-5433

Phone Number Fax Number

brdavis@dimmittisd.net

Mobile Number (optional) Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

<u>Audie</u> First Name	<u>Sciumbato</u> Last Name
<u>Attorney</u> Title	
<u>Underwood Law Firm, P.C.</u> Firm Name	
<u>(806) 364-2626</u> Phone Number	<u>(806) 364-9368</u> Fax Number
	<u>audie.sciumbato@uwlaw.com</u> Email Address
<u>Mobile Number (optional)</u>	

4. On what date did the district determine this application complete? July 16, 2015
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>Nicholas</u> First Name	<u>Hiza</u> Last Name
<u>Chief Development Officer</u> Title	<u>Orion Wind Resources LLC</u> Organization
<u>155 Grand Ave., Suite 706</u> Street Address	
<u>155 Grand Ave., Suite 706</u> Mailing Address	
<u>Oakland</u> City	<u>CA</u> State
<u>(510) 250-3401</u> Phone Number	<u>94612</u> ZIP
<u>Mobile Number (optional)</u>	<u>nhiza@orionrenewables.com</u> Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No
- 2a. If yes, please fill out contact information for that person.

<u>Andrew</u> First Name	<u>MaKee</u> Last Name
<u>Project Manager</u> Title	<u>Orion Wind Resources LLC</u> Organization
<u>155 Grand Ave., Suite 706</u> Street Address	
<u>155 Grand Ave., Suite 706</u> Mailing Address	
<u>Oakland</u> City	<u>CA</u> State
<u>(828) 712-5060</u> Phone Number	<u>94612</u> ZIP
<u>Mobile Number (optional)</u>	<u>amakee@orionrenewables.com</u> Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Brandon _____ Westlake _____
 First Name Last Name
 Tax Consultant _____
 Title
 Cummings Westlake, LLC _____
 Firm Name
 (713) 266-4456 _____ (713) 266-2333 _____
 Phone Number Fax Number
 bwestlake@cwlp.net _____
 Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A

3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? _____ Orion Wind Resources LLC _____

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____ 32055926896 _____

3. List the NAICS code _____ 221115 _____

4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No

4a. If yes, please list application number, name of school district and year of agreement _____

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) _____ Limited Liability Company _____

2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No

2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

3. Is the applicant current on all tax payments due to the State of Texas? Yes No

4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A

5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
Note: Received a storm water permit to dig two holes in order to qualify for PTC.
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

Confidential

1. Application approval by school board
2. Commencement of construction
3. Beginning of qualifying time period
4. First year of limitation
5. Begin hiring new employees
6. Commencement of commercial operations
7. 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)?
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service?

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Castro County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Castro CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County: <u>Castro, \$0.542, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: _____ <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Castro County Hospital, \$0.329, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>High Plains UWCD, \$0.008026, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): _____ <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>Hereford ISD, \$1.04, 5%</u> <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? Yes No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00

Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? July 2015

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the 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)? 0

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2015
 (year)

3. 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 Texas Workforce Commission (TWC)? 0

Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 10

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

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

6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information 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(21) and (22).

a. Average weekly wage for all jobs (all industries) in the county is 677.00

b. 110% of the average weekly wage for manufacturing jobs in the county is 1,019.70

c. 110% of the average weekly wage for manufacturing jobs in the region is 899.00

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 46,749.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 46,749.00

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No

12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No

13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (not required)

3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$80,000 application fee to Dimmitt Independent School District.

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

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

TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable).

Not Applicable

TAB 4

Detailed Description of the Project

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

CONFIDENTIAL

TAB 5

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

Orion Renewable Energy Group LLC (Orion) have been pioneers in expanding the use of wind energy for over 20 years. Nearly 4,000 megawatts (MW) of clean, renewable energy projects currently in operation worldwide have been developed by Orion's management team. These projects generate enough electricity to supply a million households. Orion's track record of successfully completing projects stems from expertise in siting, development, origination, finance, construction, and operations.

In the U.S. alone, over 3,300 MW of operating wind energy projects have been developed by Orion's principals.

While Orion is keen to develop and build the proposed Castro County Wind Project as described in this application, this Project is still in the early stages of development and further investment could be, if necessary, redeployed to other counties and states competing for similar wind energy projects. Orion is active in various states throughout the U.S., where each project competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to customers and making our investment more viable and marketable. We have many other wind sites in development throughout the country and are continually comparing investment opportunities and market viability of each project based upon project financial metrics.

The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects that are competing for limited funds. This appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

- | | |
|----------------------------------|--------|
| 1) Castro County | - 100% |
| 2) Castro County Hospital | - 100% |
| 3) High Plains Water District #1 | - 100% |
| 4) Dimmitt ISD | - 95% |
| 5) Hereford ISD | - 5% |

TAB 7

Description of Qualified Investment

CONFIDENTIAL

TAB 8

Description of Qualified Property

(See Tab 7)

TAB 9

Description of Land

CONFIDENTIAL

TAB 10

Description of all property not eligible to become qualified property (if applicable)

None

TAB 11

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

CONFIDENTIAL

TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

Not Applicable

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Castro County average weekly wage for all jobs (all industries)
- Castro County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

**ORION WIND RESOURCES LLC
TAB 13 TO CHAPTER 313 APPLICATION**

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

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2014	\$ 634	\$ 32,968
SECOND	2014	\$ 648	\$ 33,696
THIRD	2014	\$ 670	\$ 34,840
FOURTH	2014	\$ 755	\$ 39,260
AVERAGE		\$ 677	\$ 35,191

**CASTRO COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2014	\$ 873	\$ 45,396
SECOND	2014	\$ 943	\$ 49,036
THIRD	2014	\$ 847	\$ 44,044
FOURTH	2014	\$ 1,045	\$ 54,340
AVERAGE		\$ 927	\$ 48,204
X		110%	110%
		\$ 1,019.70	\$ 53,024.40

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Panhandle	2013	\$ 817	\$ 42,499
X		110%	110%
		\$ 899	\$ 46,749

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Castro County	Private	00	0	10	Total, All Industries	\$634
2014	2nd Qtr	Castro County	Private	00	0	10	Total, All Industries	\$648
2014	3rd Qtr	Castro County	Private	00	0	10	Total, All Industries	\$670
2014	4th Qtr	Castro County	Private	00	0	10	Total, All Industries	\$755

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Castro County	Private	31	2	31-33	Manufacturing	\$873
2014	2nd Qtr	Castro County	Private	31	2	31-33	Manufacturing	\$943
2014	3rd Qtr	Castro County	Private	31	2	31-33	Manufacturing	\$847
2014	4th Qtr	Castro County	Private	31	2	31-33	Manufacturing	\$1,045

**2013 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$23.73	\$49,363
1. Panhandle Regional Planning Commission	\$20.43	\$42,499
2. South Plains Association of Governments	\$16.53	\$34,380
3. NORTEX Regional Planning Commission	\$19.15	\$39,838
4. North Central Texas Council of Governments	\$25.00	\$51,997
5. Ark-Tex Council of Governments	\$17.45	\$36,298
6. East Texas Council of Governments	\$19.50	\$40,565
7. West Central Texas Council of Governments	\$18.64	\$38,779
8. Rio Grande Council of Governments	\$16.27	\$33,848
9. Permian Basin Regional Planning Commission	\$22.89	\$47,604
10. Concho Valley Council of Governments	\$17.20	\$35,777
11. Heart of Texas Council of Governments	\$19.44	\$40,444
12. Capital Area Council of Governments	\$27.31	\$56,805
13. Brazos Valley Council of Governments	\$17.20	\$35,770
14. Deep East Texas Council of Governments	\$16.48	\$34,287
15. South East Texas Regional Planning Commission	\$29.09	\$60,501
16. Houston-Galveston Area Council	\$26.13	\$54,350
17. Golden Crescent Regional Planning Commission	\$22.23	\$46,242
18. Alamo Area Council of Governments	\$18.91	\$39,329
19. South Texas Development Council	\$13.94	\$28,990
20. Coastal Bend Council of Governments	\$23.78	\$49,454
21. Lower Rio Grande Valley Development Council	\$15.82	\$32,907
22. Texoma Council of Governments	\$20.93	\$43,529
23. Central Texas Council of Governments	\$17.33	\$36,042
24. Middle Rio Grande Development Council	\$19.07	\$39,666

110% x \$42,499
= \$46,749

Source: Texas Occupational Employment and Wages

Data published: July 2014

Data published annually, next update will be July 31, 2015

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.

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2015	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application	-			0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0	0	0	0	0
Complete tax years of qualifying time period	QTP1	2016-2017	2016	420,700,000	500,000	0	0	421,200,000
	QTP2	2017-2018	2017	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				420,700,000	500,000	0	0	421,200,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				421,200,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Date **6/23/2015**
 Applicant Name **ORION WIND RESOURCES, LLC**
 ISD Name **Dimmitt ISD**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE}	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		420,700,000	500,000	0	0	421,200,000
Enter amounts from TOTAL row in Schedule A1 in the row below								
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2015-2016	2015	0	0	0	0	0
	0	2016-2017	2016	0	0	0	0	0
Value limitation period***	1	2017-2018	2017	0	0	0	0	0
	2	2018-2019	2018	0	0	0	0	0
	3	2019-2020	2019	0	0	0	0	0
	4	2020-2021	2020	0	0	0	0	0
	5	2021-2022	2021	0	0	0	0	0
	6	2022-2023	2022	0	0	3,120,000	0	3,120,000
	7	2023-2024	2023	0	0	3,120,000	0	3,120,000
	8	2024-2025	2024	0	0	3,120,000	0	3,120,000
	9	2025-2026	2025	0	0	3,120,000	0	3,120,000
10	2026-2027	2026	0	0	3,120,000	0	3,120,000	
Total Investment made through limitation				420,700,000	500,000	15,600,000	0	436,800,000
Continue to maintain viable presence	11	2027-2028	2027			4,680,000		4,680,000
	12	2028-2029	2028			4,680,000		4,680,000
	13	2029-2030	2029			4,680,000		4,680,000
	14	2030-2031	2030			4,680,000		4,680,000
	15	2031-2032	2031			4,680,000		4,680,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032			4,680,000		4,680,000
	17	2033-2034	2033			4,680,000		4,680,000
	18	2034-2035	2034			4,680,000		4,680,000
	19	2035-2036	2035			4,680,000		4,680,000
	20	2036-2037	2036			4,680,000		4,680,000
	21	2037-2038	2037			4,680,000		4,680,000
	22	2038-2039	2038			4,680,000		4,680,000
	23	2039-2040	2039			4,680,000		4,680,000
	24	2040-2041	2040			4,680,000		4,680,000
25	2041-2042	2041			4,680,000		4,680,000	

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date

6/23/2015

Applicant Name

ORION WIND RESOURCES, LLC

Form 50-296A

ISD Name

Dimmitt ISD

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	0	0	0	0	0	0
	0	2016-2017	2016	0	0	0	0	0	0
Value Limitation Period	1	2017-2018	2017	0	495,000	412,286,000	412,781,000	412,781,000	20,000,000
	2	2018-2019	2018	0	482,600	379,303,000	379,785,600	379,785,600	20,000,000
	3	2019-2020	2019	0	470,500	348,959,000	349,429,500	349,429,500	20,000,000
	4	2020-2021	2020	0	458,700	321,042,000	321,500,700	321,500,700	20,000,000
	5	2021-2022	2021	0	447,200	295,359,000	295,806,200	295,806,200	20,000,000
	6	2022-2023	2022	0	436,000	271,730,000	272,166,000	272,166,000	20,000,000
	7	2023-2024	2023	0	425,100	249,992,000	250,417,100	250,417,100	20,000,000
	8	2024-2025	2024	0	414,500	229,993,000	230,407,500	230,407,500	20,000,000
	9	2025-2026	2025	0	404,100	211,594,000	211,998,100	211,998,100	20,000,000
	10	2026-2027	2026	0	394,000	194,666,000	195,060,000	195,060,000	20,000,000
Continue to maintain viable presence	11	2027-2028	2027	0	384,200	179,093,000	179,477,200	179,477,200	179,477,200
	12	2028-2029	2028	0	374,600	164,766,000	165,140,600	165,140,600	165,140,600
	13	2029-2030	2029	0	365,200	151,585,000	151,950,200	151,950,200	151,950,200
	14	2030-2031	2030	0	356,100	139,458,000	139,814,100	139,814,100	139,814,100
	15	2031-2032	2031	0	347,200	128,301,000	128,648,200	128,648,200	128,648,200
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	0	338,500	118,037,000	118,375,500	118,375,500	118,375,500
	17	2033-2034	2033	0	330,000	108,594,000	108,924,000	108,924,000	108,924,000
	18	2034-2035	2034	0	321,800	99,906,000	100,227,800	100,227,800	100,227,800
	19	2035-2036	2035	0	313,800	91,914,000	92,227,800	92,227,800	92,227,800
	20	2036-2037	2036	0	306,000	84,561,000	84,867,000	84,867,000	84,867,000
	21	2037-2038	2037	0	298,400	77,796,000	78,094,400	78,094,400	78,094,400
	22	2038-2039	2038	0	290,900	71,572,000	71,862,900	71,862,900	71,862,900
	23	2039-2040	2039	0	283,600	65,846,000	66,129,600	66,129,600	66,129,600
	24	2040-2041	2040	0	276,500	60,578,000	60,854,500	60,854,500	60,854,500
	25	2041-2042	2041	0	269,600	55,732,000	56,001,600	56,001,600	56,001,600

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 6/23/2015
 Applicant Name ORION WIND RESOURCES, LLC
 ISD Name Dimmitt ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	0	0	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	200 FTE	40,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2017-2018	2017	N/A	N/A	0	10	46,749
	2	2018-2019	2018	N/A	N/A	0	10	46,749
	3	2019-2020	2019	N/A	N/A	0	10	46,749
	4	2020-2021	2020	N/A	N/A	0	10	46,749
	5	2021-2022	2021	N/A	N/A	0	10	46,749
	6	2022-2023	2022	N/A	N/A	0	10	46,749
	7	2023-2024	2023	N/A	N/A	0	10	46,749
	8	2024-2025	2024	N/A	N/A	0	10	46,749
	9	2025-2026	2025	N/A	N/A	0	10	46,749
	10	2026-2027	2026	N/A	N/A	0	10	46,749
Years Following Value Limitation Period	11 through 25	2027-2042	2027-2041	N/A	N/A	0	10	46,749

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

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) Yes No
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date 6/23/2015
 Applicant Name ORION WIND RESOURCES, LLC
 ISD Name Dimmitt ISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Castro County	2017	10 Years	Annual Avg. of \$1,708,775	see detail below	451,200
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Castro Hospital	2017	10 Years	Annual Avg. of \$1,037,245	see detail below	268,800
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				2,746,020		720,000

Additional information on incentives for this project:

County Terms:	Orion Wind Resources, LLC expects to apply for an abatement structured as follows: 100% abatement for 10 years with PILOT payment of \$1,410 per installed MW capacity
Hospital Terms:	Orion Wind Resources, LLC expects to apply for an abatement structured as follows: 100% abatement for 10 years with PILOT payment of \$840 per installed MW capacity

TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16 a) Not Applicable

16 b) Will be submitted once Castro County creates the Reinvestment Zone

16 c) Will be submitted once Castro County creates the Reinvestment Zone

Resolution 05-11-15-01

**GUIDELINES AND CRITERIA FOR GRANTING TAX
ABATEMENT IN REINVESTMENT ZONES CREATED IN THE
JURISDICTION OF CASTRO COUNTY, TEXAS.**

WHEREAS, the creation and retention of job opportunities that bring new wealth is one of the highest civic priorities; and,

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

WHEREAS, Castro County must compete with other localities across the nation currently offering tax inducements to attract new and modernization projects; and,

WHEREAS, any tax incentives offered in Castro County would reduce needed tax revenue unless these tax incentives are strictly limited in application to those new and existing industries that bring new wealth to the community; and,

WHEREAS, the abatement of property taxes, when offered to attract primary jobs in industries that bring in money from outside a community instead of merely the recirculation of 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 abatement agreements prior to the granting of any future tax abatement, which guidelines and criteria are to remain unchanged for a two-year period unless amended by a three fourths (%) majority vote of the governing body, as provided by said state law; and,

WHEREAS, these guidelines and criteria shall not be construed as implying or suggesting that the County of Castro, or any other taxing jurisdiction, is under any obligation to provide a tax abatement or other incentives to any applicant, and all applicants shall be considered on a case-by-case basis; and,

WHEREAS, these guidelines and criteria are approved for circulation to all affected taxing jurisdictions for consideration as a common policy for all jurisdictions that choose to participate in tax abatement agreements;

NOW THEREFORE BE IT RESOLVED THAT, said guidelines and criteria are as follows:

Sec. 1. Definitions

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real property, and certain personal property, in a reinvestment zone designated by the County of Castro for economic development purposes.
- (b) "Affected jurisdiction" means the County of Castro, and any other taxing jurisdiction with any substantial parts of its area located in Castro County; and that levies ad valorem taxes and provides services to property located in said County; and that chooses to participate in tax abatement agreements by, or pursuant to, these guidelines.
- (c) "Agreement" means a contractual agreement between a property owner or lessee, or both, and an affected jurisdiction for the purposes of tax abatement.
- (d) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement, plus the agreed-upon value of eligible property made after January 1 but before the execution of the agreement.
- (e) "Deferred maintenance" means improvements necessary for continued operations that do not improve productivity or alter the process technology.

- (f) "Distribution Center Facility" means permanent 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.
- (g) "Expansion" means the addition of permanent building and structures, fixed machinery and equipment for purposes of increasing production capacity.
- (h) "Facility" means property improvements completed or in the process of construction that together comprise an integral whole.
- (i) "Manufacturing Facility" means permanent buildings and structures, including fixed 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.
- (j) "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of permanent buildings and structures, alteration, or installation of permanent buildings and structures, fixed machinery and equipment. Modernization shall include improvements for the purposes of increasing productivity or updating the technology of machinery or equipment or both.
- (k) "New Facility" means a property previously undeveloped that is placed into service by means other than by, or in conjunction with, expansion or modernization.
- (l) "Other basic industry" means permanent buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used, for the production of services that primarily serve a market that result in the creation of new permanent jobs, and that bring in new wealth.
- (m) "Productive life" means the number of years a property improvement is expected to be in service in a facility.

(n) "Regional entertainment facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.

(o) "Research Facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used primarily for the research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

(p) "Regional Service Facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, to service goods.

(q) "Renewable Energy Resource" means a resource which produces energy derived from renewable energy technologies, as defined in PUC Substantive Rule 25.5.

Sec. 2. Criteria for Abatement and Designating a Reinvestment Zone.

(a) Authorized Facility. A facility may be eligible for abatement if it is a manufacturing facility, research facility, distribution center or regional service facility, regional entertainment facility, renewable energy resource, or other basic industry.

(b) Creation of New Value. Abatement may be granted only for the additional value of eligible property improvements made subsequent to, and specified in, an abatement agreement between Castro County and the property owner or lessee, subject to such limitation as Castro County may require.

(c) New and Existing Facilities. Abatement may be for new facilities and improvements to existing facilities purposes of modernization or expansion.

(d) Eligible Property. Abatement may be extended to the value of permanent buildings and structures, fixed machinery and equipment, and certain other personal property, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility.

(e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; housing; hotel accommodations; deferred maintenance investments; property to be rented or leased, except as provided in Section 2 (f); any improvements, including those to produce, store or distribute natural gas, fluids or gases, that are not integral to the operation of the facility; property owned or used by the State of Texas or its political subdivision or by any organization owned, operated, or directed by a political subdivision of the State of Texas.

(f) Owned and Leased Facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee. "If the land is leased, but the facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Agreement."

(g) Value and Term of Abatement. A tax abatement agreement granted by Castro County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% of the ad valorem property taxes assessed.

(h) Economic Qualification. In order to be eligible to receive tax abatement, the planned improvement:

(1) Must be reasonably expected to increase the value of the property in the amount of at least \$1,000,000 for new businesses and \$500,000 for existing businesses;

(2) Must be expected to prevent the loss of employment, retain employment, or create employment on a permanent basis;

(3) Must not be expected to solely or primarily have the effect of transferring employment from one part of the County of Castro to another.

(i) Existing Business. Recognizing the importance of cosmetic improvements to the community of those existing businesses that modernize or expand over and above normal repair and upkeep, they may be granted a two-year tax abatement of the amount of value the facility is increased. (If a business has a building appraised at \$500,000.00 and modernization or expansion changes the appraised value to \$1,000,000.00, \$500,000.00 of the new value could be abated for two years beginning January 1 after the year completed.)

(j) Taxability. From the execution of the abatement agreement to the end of the agreement period taxes shall be assessed as follows:

(1) The value of ineligible property as provided in Section 2 (e) shall be fully taxable; and,

(2) The base year value of existing eligible property as determined each year shall be fully taxable; and,

(3) the additional value of new eligible property shall be taxable in the manner described in Section 2 (g, h, & i).

Sec. 3. Application and Hearing

(a) Any present or potential owner of taxable property in the jurisdiction of the Taxing Entities of the County of Castro, Texas may request tax abatement by filing a written request with the Castro County Commissioners Court.

(b) The application shall consist of a completed application form accompanied by: a nonrefundable application fee of \$1,000.00, a general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken; a descriptive list of the improvements that will be a part of the facility; a map and property description; and a time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require any financial and other information that may be appropriate for evaluating the financial capacity of the applicant and any other factors.

(c) After receipt of an application, the Commissioners Court shall determine within forty-five (45) days how to proceed with the application. Within this time frame, the Commissioners Court shall choose either to deny the application, consider the application, or consider the application on an expedited basis.

(d) Consideration of Application. If the County determines that the application should be further considered, then the County Judge shall schedule a hearing to obtain public input on the application. At least seven (7) days prior to the hearing, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. At the hearing, the Commissioners Court evaluates the application against the criteria in Section 2 and decides whether to designate the property for which an abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then arrange to consider for approval the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting. At least seven (7) days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

(e) Expedited Consideration of Application. If the County determines that the application should receive expedited consideration, then the County Judge shall schedule an opportunity to obtain public input on the application at the Commissioners Court's next meeting. At least seven (7) days prior to the meeting, the Court must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. Also at this time, the County must give written notice of its intent to enter into a tax abatement agreement to the presiding officers of all taxing units with jurisdiction over the property for which the abatement is sought, along with a copy of the proposed tax abatement agreement. During the Commissioners Court meeting, the Commissioners Court shall evaluate the application against the criteria in Section 2 and shall decide whether to designate the property for which the abatement is sought as a reinvestment zone.

If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then immediately consider for approval the tax abatement agreement between the applicant and the County. After consideration, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or the decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

- (f) Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to the County in connection with an application or a request for a tax abatement under this chapter that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the abatement is sought is confidential and not subject to public disclosure until the tax abatement is executed.
- (g) When the abatement is disapproved, an applicant may be granted a review, or rehearing, in which a new application and hearing may be required.
- (h) Tax abatement may not be approved if the County finds that the application therefore was filed after the commencement of the construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.
- (i) Request for a variance from the provisions of Section 2 may be made in written form to the Commissioners Court of Castro County. Such request shall include all the items listed in Section 3 (b) above, together with a complete description of the circumstances that prompt the applicant to request the variance. The approval process for a variance shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the County.

Sec. 4. Standards for Denying Approval of Abatement.

(a) If any affected jurisdiction is able to conclusively show cause in the public hearing why the granting of the abatement will have a substantial adverse effect on its **Bonds, Tax revenue, Service capacity, or the providing of services**, Castro County shall deny the approval of abatement.

(b) An abatement agreement shall not be granted if it is determined that:

(1) There would be substantial adverse effect on the providing of government services or tax bases;

(2) The applicant has insufficient financial capacity;

(3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals; or,

(4) Codes or laws would be violated.

Sec. 5. Effect of Approval of Application.

(a) Castro County Commissioners Court acts only for the taxing entity of Castro County and for no other taxing entity within Castro County. The Count's approval or disapproval of an application has no effect on any other taxing entity within the jurisdiction or their right to approve or disapprove an application. Only the governing bodies of the effected jurisdictions may grant tax abatements, and enter into tax abatement agreements with applicants.

Sec. 6. Tax Abatement Agreements

(a) The Castro County Commissioners Court after approval of an application shall enter into an agreement with the applicant. Such agreements shall be executed with the owner of the facility, and with the lessee when required. Such agreements shall include:

- (1) The estimated value to be abated and the base year value;
- (2) The percentage of value to be abated each year as provided in Sec.2 (g, h, & i);
- (3) The commencement date and the termination date of abatement;
- (4) The proposed use of the facility, nature of construction, time schedule, map, property description, and improvements list as provided in the application, Section 3 (b);
- (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration, and assignment as provided in Sections 2 (a), 2 (f), 2 (g, h, & i), 7, 8, and 9;
- (6) Size of investment and average number of jobs involved. Such agreement shall normally be executed within 30 days after the applicant has forwarded all necessary information and documentation to the County;
- (7) The agreement shall stipulate that employees, or designated representatives, or both, of Castro County will have access to the reinvestment zone during the terms 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 the giving of 24 hours prior notice and will be conducted in such a manner that they will not unreasonably interfere with the construction or operation or both of the facility. All inspections will be made in the presence of one or more representatives of the company or individual and in accordance with the safety standards of the company or individual; and,

(8) The applicant is responsible for all costs relating to the formation of the Tax Abatement Agreement including, but not limited to Attorney Fees.

Sec. 7. Recapture

(a) If the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason excepting fire, explosion, or other casualty or accident or natural disaster, for a period of one year during the abatement period, 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 affected jurisdiction within 60 days from the date of termination.

(b) If the Castro County Commissioners Court determines that the company or individual is in default according to the terms and conditions of its agreement, the Commissioners Court shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within 60 days from the date of such notice ("cure period"), then the agreement may be terminated.

(c) If the company or individual (1) allows its ad valorem taxes owed to the County of Castro, or any other taxing entity in Castro County, to become delinquent and fails to timely and properly follow the legal procedures for their protest contest or both; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the cure-period, the agreement may be terminated, and all taxes previously abated by virtue of the agreement will be recaptured and paid within 60 days of the termination.

Sec. 8. Administration

(a) The Chief Appraiser of the Castro County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, any company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions that levy taxes of the amount of the assessment.

(b) Upon completion of construction, a designated representative of Castro County shall annually valueate each facility receiving abatement to insure compliance with the agreement and shall make a report to the Commissioners Court regarding the findings of each evaluation.

Sec. 9. Assignment

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the affected jurisdiction. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner, or the new lessee are liable to any taxing entity in Castro County for any outstanding delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

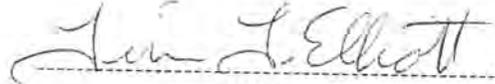
Sec. 10. Sunset Provision

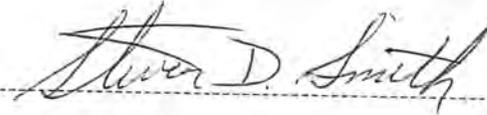
The guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by a three-quarters vote of the Castro County Commissioners Court, at which time the tax abatement contracts created according to these provisions will be reviewed to determine whether or not the goals have been achieved. Based on that review, the guidelines and criteria may be further modified, renewed or eliminated.

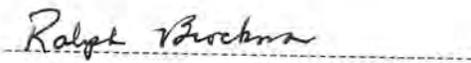
Moved, Seconded, and Passed Unanimously, This the 11 day of May, 2015.


Carroll Gerber, Castro County Judge

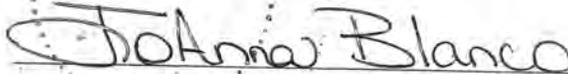

Horce (Tom) Mclain, Commissioner Pct 1


Tim Elloitt, Commissioner Pct 2


Steve Smith, Commissioner Pct 3


Ralph Brockman, Commissioner Pct 4

ATTEST:



Joanne Blanco, County/District Clerk

CASTRO COUNTY TAX ABATEMENT APPLICATION
FOR
ECONOMIC DEVELOPMENT INCENTIVES
PROPERTY PROJECT DESCRIPTION

1. Property Owner Mailing Address

Telephone

2. Project Sponsor (If different than property owner)

Mailing address

Telephone

3. Applicant's Representative Telephone

4. Property Address

Legal Description (provide attachment if by metes and bounds)

5. Located Within: Dimmitt ISD____ Hart ISD____ Nazareth ISD____

6. Description of Project:

7. Date (s) projected for occupation of project/initiation of operation:

8. Employment Impact

(a) How many jobs will be brought to Castro County?

(b) What types of jobs will be created?

(c) What will the total annual payroll be?

9. Fiscal Impact

(a) How much real and personal property value will be added to the tax roll?

(b) How much direct sales tax will be generated?

(c) How will this project affect existing business and/or office facilities?

(d) What infrastructure construction would be required?

(e) What is the total annual operation budget of this facility projected to be?

10. Community Impact

(a) What effect would the project have on the local housing market?

(b) What environmental impact, if any, will be created by the project?

(c) If applicable, attach copy of environmental impact study.

11. Type and value of incentive requested:

Orion Wind Resources, LLC

Chapter 313 Application to Dimmitt ISD

Cummings Westlake, LLC

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

BD **print here** ▶ Bryan Davis Superintendent
Print Name (Authorized School District Representative) Title

sign here ▶ *Bryan Davis* 6-25-15
Signature (Authorized School District Representative) Date

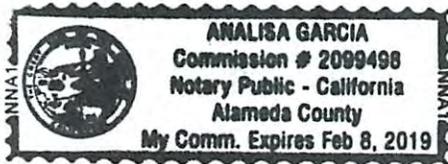
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Nicholas Hiza Chief Development Officer
Print Name (Authorized Company Representative (Applicant)) Title

sign here ▶ *Nicholas Hiza* 6/24/15
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

24 day of June, 2015

Analisa Garcia
 Notary Public in and for the State of California

My Commission expires: February 8, 2019

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.