
FINDINGS
OF THE
SNYDER INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
DERMOTT WIND, LLC
(Texas Taxpayer ID #32056768115)
(Application #1128)

August 25, 2016

The Board of Trustees acknowledges receipt of the Application, along with the required application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Scurry County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the application was complete was issued on May 10, 2016. A copy of the Comptroller's completeness letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on July 15, 2016 pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Snyder Independent School District. A copy of a report prepared by Jigsaw School Finance Solutions, LLC is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the Snyder Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment F**.

After receipt of the Application, the District submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of Public Accounts. The proposed Agreement and letter approving same are attached to these findings as **Attachment G**.

The Texas Commissioner of Education has determined that the project will not impact school enrollment, as stated in **Attachment H**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

The Applicant qualifies for a limitation on appraised value of Qualified Property under Section 313.024, Texas Tax Code, in the eligibility category of Renewable Energy Electric Generation.

Board Finding Number 2.

The Applicant's entire proposed investment in the Snyder ISD is \$322,678,434, \$321,678,432 of which is proposed to be Qualified Investment under Section 313.021, Texas Tax Code.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$45,000 per year. The review of the application by the State Comptroller's Office indicates that this amount-based on Texas Workforce Commission data-complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Section 313.021, Texas Tax Code.

Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$54 million on the basis of the 6 new qualifying positions committed to by the Applicant for this project.

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$322,678,434, resulting in a relative level of investment per qualifying job of \$53,779,739.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Section 313.25(f-1), Texas Tax Code, and the Board finds such waiver request should be granted.

In support of Finding 5, the Board notes that the number of jobs proposed for this project (6 jobs) is consistent with industry standards in the wind industry.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.

In support of Finding 6, the economic impact evaluation states:

Table 2 depicts this project’s estimated economic impact to Texas. It depicts the direct, indirect, and induced effects to employment and personal income within the state. The Comptroller’s office calculated the economic impact based on 15 years of annual investment and employment levels.

Table 2: Estimated Statewide Economic Impact of Dermott Wind, LLC (modeled):

Year	Employment		Total	Personal Income		
	Direct	Indirect + Induced		Direct	Indirect + Induced	Total
2015	0	0	0	\$ 0	\$ 0	\$ 0
2016	10	9	19	\$ 400,000	\$ 600,000	\$ 1,000,000
2017	200	177	377	\$ 8,000,000	\$ 14,000,000	\$ 22,000,000
2018	6	17	23	\$ 270,000	\$ 3,730,000	\$ 4,000,000
2019	6	15	21	\$ 270,000	\$ 2,730,000	\$ 3,000,000
2020	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2021	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2022	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2023	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2024	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2025	6	17	23	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2026	6	12	18	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2027	6	15	21	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2028	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000
2029	6	6	12	\$ 270,000	\$ 730,000	\$ 1,000,000
2030	6	4	10	\$ 270,000	\$ 730,000	\$ 1,000,000

Table 3 illustrates the estimated tax impact of the Applicant’s project on the region if all taxes are assessed.

Board Findings of the Snyder Independent School District

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Snyder ISD I&S Tax Levy	Snyder ISD M&O Tax Levy	Snyder ISD M&O and I&S Tax Levies	Scurry County Tax Levy	Scurry County Hospital District Tax Levy	Western Texas College Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.1240	1.0400		0.3127	0.2064	0.2457	
2018	\$ 316,244,863	\$ 316,244,863		\$ 392,144	\$ 3,288,947	\$ 3,681,090	\$ 988,898	\$ 652,729	\$ 777,014	\$ 6,099,731
2019	\$ 297,270,172	\$ 297,270,172		\$ 368,615	\$ 3,091,610	\$ 3,460,225	\$ 929,564	\$ 613,566	\$ 730,393	\$ 5,733,747
2020	\$ 279,433,961	\$ 279,433,961		\$ 346,498	\$ 2,906,113	\$ 3,252,611	\$ 873,790	\$ 576,752	\$ 686,569	\$ 5,389,722
2021	\$ 262,667,924	\$ 262,667,924		\$ 325,708	\$ 2,731,746	\$ 3,057,455	\$ 821,363	\$ 542,147	\$ 643,375	\$ 5,066,339
2022	\$ 246,907,848	\$ 246,907,848		\$ 306,166	\$ 2,567,842	\$ 2,874,007	\$ 772,081	\$ 509,618	\$ 606,653	\$ 4,762,359
2023	\$ 232,093,377	\$ 232,093,377		\$ 287,796	\$ 2,413,771	\$ 2,701,567	\$ 725,756	\$ 479,041	\$ 570,253	\$ 4,476,617
2024	\$ 218,167,775	\$ 218,167,775		\$ 270,528	\$ 2,268,945	\$ 2,539,473	\$ 682,211	\$ 450,298	\$ 536,038	\$ 4,208,020
2025	\$ 205,077,708	\$ 205,077,708		\$ 254,296	\$ 2,132,808	\$ 2,387,105	\$ 641,278	\$ 423,280	\$ 503,876	\$ 3,955,539
2026	\$ 192,773,046	\$ 192,773,046		\$ 239,039	\$ 2,004,840	\$ 2,243,878	\$ 602,801	\$ 397,884	\$ 473,643	\$ 3,718,207
2027	\$ 181,206,663	\$ 181,206,663		\$ 224,696	\$ 1,884,549	\$ 2,109,246	\$ 566,633	\$ 374,011	\$ 445,225	\$ 3,495,114
2028	\$ 170,334,263	\$ 170,334,263		\$ 211,214	\$ 1,771,476	\$ 1,982,691	\$ 532,635	\$ 351,570	\$ 418,511	\$ 3,285,407
2029	\$ 160,114,207	\$ 160,114,207		\$ 198,542	\$ 1,665,188	\$ 1,863,729	\$ 500,677	\$ 330,476	\$ 393,401	\$ 3,088,283
2030	\$ 150,507,355	\$ 150,507,355		\$ 186,629	\$ 1,565,276	\$ 1,751,906	\$ 470,636	\$ 310,647	\$ 369,797	\$ 2,902,986
2031	\$ 141,476,914	\$ 141,476,914		\$ 175,431	\$ 1,471,360	\$ 1,646,791	\$ 442,398	\$ 292,008	\$ 347,609	\$ 2,728,807
2032	\$ 132,988,299	\$ 132,988,299		\$ 164,905	\$ 1,383,078	\$ 1,547,984	\$ 415,854	\$ 274,488	\$ 326,752	\$ 2,565,078
			Total	\$ 3,952,208	\$ 33,147,549	\$ 37,099,757	\$ 9,966,576	\$ 6,578,514	\$ 7,831,109	\$ 61,475,955

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on *ad valorem* taxes to the school district and Scurry County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Texas Tax Code, and tax abatement with the Scurry County, Scurry County Hospital District, and Western Texas College. The difference noted in the last line is the difference between Table 3 and Table 4:

Board Findings of the Snyder Independent School District

Table 4: Estimated Direct *Ad Valorem* Taxes with all property tax incentives sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Snyder ISD I&S Tax Levy	Snyder ISD M&O Tax Levy	Snyder ISD M&O and I&S Tax Levies	Scurry County Tax Levy	Scurry County Hospital District Tax Levy	Western Texas College Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.1240	1.0400		0.3127	0.2064	0.2457	
2018	\$ 316,244,863	\$ 30,000,000		\$ 392,144	\$ 312,000	\$ 704,144	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,417,604
2019	\$ 297,270,172	\$ 30,000,000		\$ 368,615	\$ 312,000	\$ 680,615	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,394,075
2020	\$ 279,433,961	\$ 30,000,000		\$ 346,498	\$ 312,000	\$ 658,498	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,371,958
2021	\$ 262,667,924	\$ 30,000,000		\$ 325,708	\$ 312,000	\$ 637,708	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,351,168
2022	\$ 246,907,848	\$ 30,000,000		\$ 306,166	\$ 312,000	\$ 618,166	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,331,626
2023	\$ 232,093,377	\$ 30,000,000		\$ 287,796	\$ 312,000	\$ 599,796	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,313,256
2024	\$ 218,167,775	\$ 30,000,000		\$ 270,528	\$ 312,000	\$ 582,528	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,295,988
2025	\$ 205,077,708	\$ 30,000,000		\$ 254,296	\$ 312,000	\$ 566,296	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,279,756
2026	\$ 192,773,046	\$ 30,000,000		\$ 239,039	\$ 312,000	\$ 551,039	\$ 253,000	\$ 202,400	\$ 258,060	\$ 1,264,499
2027	\$ 181,206,663	\$ 30,000,000		\$ 224,696	\$ 312,000	\$ 536,696	\$ 230,000	\$ 202,400	\$ 258,060	\$ 1,227,156
2028	\$ 170,334,263	\$ 170,334,263		\$ 211,214	\$ 1,771,476	\$ 1,982,691	\$ 532,635	\$ 351,570	\$ 418,511	\$ 3,285,407
2029	\$ 160,114,207	\$ 160,114,207		\$ 198,542	\$ 1,665,188	\$ 1,863,729	\$ 500,677	\$ 330,476	\$ 393,401	\$ 3,088,283
2030	\$ 150,507,355	\$ 150,507,355		\$ 186,629	\$ 1,565,276	\$ 1,751,906	\$ 470,636	\$ 310,647	\$ 369,797	\$ 2,902,986
2031	\$ 141,476,914	\$ 141,476,914		\$ 175,431	\$ 1,471,360	\$ 1,646,791	\$ 442,398	\$ 292,008	\$ 347,609	\$ 2,728,807
2032	\$ 132,988,299	\$ 132,988,299		\$ 164,905	\$ 1,383,078	\$ 1,547,984	\$ 415,854	\$ 274,488	\$ 326,752	\$ 2,565,078
			Total	\$ 3,952,208	\$ 10,976,379	\$ 14,928,587	\$ 4,869,202	\$ 3,583,189	\$ 4,436,669	\$ 27,817,647
			Diff	\$ 0	\$ 22,171,171	\$ 22,171,171	\$ 5,097,374	\$ 2,995,325	\$ 3,394,439	\$ 33,658,309

Assumes School Value Limitation and Tax Abatements with the County, hospital, water, and emergency services districts.

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.

Board Finding Number 8.

The effect of the Applicant’s proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District’s facility needs, with current trends suggesting little underlying enrollment growth based on the impact of the project.

In support of Finding 8, the Board refers to the finding of the Texas Commissioner of Education at **Attachment H** to these findings.

Board Finding Number 9.

The Applicant’s project is not reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations *ad valorem* tax revenue lost as a result of the agreement. However, the Comptroller has determined, based on an analysis of the estimated M&O portion of the school district property

Board Findings of the Snyder Independent School District

tax levy, combined with the direct, indirect, and induced tax effects from project employment directly related to this project, that the project is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, total tax revenue in an amount sufficient to offset the school district maintenance and operations *ad valorem* tax revenue lost as a result of the agreement.

In support of finding No. 9, **Attachment B** of the economic impact study contains a year-by-year analysis as depicted in the following two tables:

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$ 0	\$ 0	\$ 0	\$ 0
	2015	\$ 0	\$ 0	\$ 0	\$ 0
	2016	\$ 4,828	\$ 4,828	\$ 0	\$ 0
Limitation Period (10 Years)	2017	\$ 312,000	\$ 316,828	\$ 2,976,947	\$ 2,976,947
	2018	\$ 312,000	\$ 628,828	\$ 2,779,610	\$ 5,756,556
	2019	\$ 312,000	\$ 940,828	\$ 2,594,113	\$ 8,350,670
	2020	\$ 312,000	\$ 1,252,828	\$ 2,419,746	\$ 10,770,416
	2021	\$ 312,000	\$ 1,564,828	\$ 2,255,842	\$ 13,026,258
	2022	\$ 312,000	\$ 1,876,828	\$ 2,101,771	\$ 15,128,029
	2023	\$ 312,000	\$ 2,188,828	\$ 1,956,945	\$ 17,084,974
	2024	\$ 312,000	\$ 2,500,828	\$ 1,820,808	\$ 18,905,782
	2025	\$ 312,000	\$ 2,812,828	\$ 1,692,840	\$ 20,598,621
	2026	\$ 312,000	\$ 3,124,828	\$ 1,572,549	\$ 22,171,171
Maintain Viable Presence (5 Years)	2027	\$ 1,771,476	\$ 4,896,304	\$ 0	\$ 22,171,171
	2028	\$ 1,665,188	\$ 6,561,492	\$ 0	\$ 22,171,171
	2029	\$ 1,565,276	\$ 8,126,768	\$ 0	\$ 22,171,171
	2030	\$ 1,471,360	\$ 9,598,128	\$ 0	\$ 22,171,171
	2031	\$ 1,383,078	\$ 10,981,207	\$ 0	\$ 22,171,171
Additional Years as Required by § 313.026(c)(1) (10 Years)	2032	\$ 1,300,094	\$ 12,281,300	\$ 0	\$ 22,171,171
	2033	\$ 1,222,088	\$ 13,503,388	\$ 0	\$ 22,171,171
	2034	\$ 1,148,763	\$ 14,652,151	\$ 0	\$ 22,171,171
	2035	\$ 1,079,837	\$ 15,731,988	\$ 0	\$ 22,171,171
	2036	\$ 1,015,047	\$ 16,747,035	\$ 0	\$ 22,171,171
	2037	\$ 911,040	\$ 17,658,075	\$ 0	\$ 22,171,171
	2038	\$ 911,040	\$ 18,569,115	\$ 0	\$ 22,171,171
	2039	\$ 911,040	\$ 19,480,155	\$ 0	\$ 22,171,171
	2040	\$ 911,040	\$ 20,391,195	\$ 0	\$ 22,171,171
	2041	\$ 911,040	\$ 21,302,235	\$ 0	\$ 22,171,171

\$ 21,302,235	is less than	\$ 22,171,171
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Analysis Summary	
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the Limitation agreement?	No

Board Findings of the Snyder Independent School District

Tax Revenue Over 25 Years

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	0	0	0	\$ 0	\$ 0	\$ 0	\$ 0.00	\$ 0.00	\$ 0
2016	10	9	19	\$ 400,000	\$ 600,000	\$ 1,000,000	\$ 53,405.80	\$ 53,405.80	\$ 0
2017	200	177	377	\$ 8,000,000	\$ 14,000,000	\$ 22,000,000	\$ 1,190,185.50	\$ -671,386.70	\$ 1,861,572
2018	6	17	23	\$ 270,000	\$ 3,730,000	\$ 4,000,000	\$ 167,846.70	\$ 251,770.00	\$ -83,923
2019	6	15	21	\$ 270,000	\$ 2,730,000	\$ 3,000,000	\$ 144,958.50	\$ 244,140.60	\$ -99,182
2020	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 129,699.70	\$ 228,881.80	\$ -99,182
2021	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 122,070.30	\$ 198,364.30	\$ -76,294
2022	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 106,811.50	\$ 183,105.50	\$ -76,294
2023	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 91,552.70	\$ 160,217.30	\$ -68,665
2024	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 137,329.10	\$ 152,587.90	\$ -15,259
2025	6	17	23	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 129,699.70	\$ 122,070.30	\$ 7,629
2026	6	12	18	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 129,699.70	\$ 114,440.90	\$ 15,259
2027	6	15	21	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 129,699.70	\$ 61,035.20	\$ 68,665
2028	6	10	16	\$ 270,000	\$ 1,730,000	\$ 2,000,000	\$ 76,293.90	\$ 53,405.80	\$ 22,888
2029	6	6	12	\$ 270,000	\$ 730,000	\$ 1,000,000	\$ 53,405.80	\$ 53,405.80	\$ 0
2030	6	4	10	\$ 270,000	\$ 730,000	\$ 1,000,000	\$ 53,405.80	\$ 22,888.20	\$ 30,518
2031	6	2	8	\$ 270,000	\$ 730,000	\$ 1,000,000	\$ 30,517.60	\$ -22,888.20	\$ 53,406
2032	6	6	12	\$ 270,000	\$ -270,000	\$ 270,000	\$ 15,258.80	\$ -38,147.00	\$ 53,406
2033	6	0	6	\$ 270,000	\$ 730,000	\$ 270,000	\$ 0.00	\$ -91,552.70	\$ 91,553
2034	6	0	6	\$ 270,000	\$ -270,000	\$ 270,000	\$ -45,776.40	\$ -99,182.10	\$ 53,406
2035	6	(2)	4	\$ 270,000	\$ -270,000	\$ 270,000	\$ -76,293.90	\$ -114,440.90	\$ 38,147
2036	6	(6)	0	\$ 270,000	\$ -270,000	\$ 270,000	\$ -91,552.70	\$ -198,364.30	\$ 106,812
2037	6	(2)	4	\$ 270,000	\$ -270,000	\$ 270,000	\$ -99,182.10	\$ -213,623.00	\$ 114,441
2038	6	(4)	2	\$ 270,000	\$ -1,270,000	\$ 270,000	\$ -122,070.30	\$ -259,399.40	\$ 137,329
2039	6	(6)	0	\$ 270,000	\$ -270,000	\$ 270,000	\$ -122,070.30	\$ -305,175.80	\$ 183,106
2040	6	(6)	0	\$ 270,000	\$ -1,270,000	\$ 270,000	\$ -167,846.70	\$ -366,210.90	\$ 198,364
2041	6	(4)	2	\$ 270,000	\$ -1,270,000	\$ 270,000	\$ -198,364.30	\$ -411,987.30	\$ 213,623
2042	6	(10)	-4	\$ 270,000	\$ -1,270,000	\$ 270,000	\$ -213,623.00	\$ -419,616.70	\$ 205,994
Total							\$ 1,625,061	\$ -1,312,256	\$ 2,937,317
\$ 24,239,552							Is greater than		\$ 22,171,171

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the Limitation agreement?	No

Board Finding Number 10.

The limitation on appraised value requested by the Applicant is a determining factor in the Applicant’s decision to invest capital and construct the project in this state.

Based upon information provided by the Applicant, the Board determines that a limitation on appraised value is a determining factor in the Applicant’s decision to invest capital and construct the project in this state.

Board Finding Number 11.

The ability of the Applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Findings Nos. 10 and 11, **Attachment C** of the economic impact study states:

The Comptroller has determined that the limitation on appraised value is a determining factor in the Applicant’s decision to invest capital and construct the project in this state. This is

based on information available, including information provided by the Applicant. Specifically, the Comptroller notes the following:

- Per the Applicant in Tab 5 of the application:
 - a) Dermott Wind, LLC 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.
 - b) The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. These include Oklahoma, Nebraska, Indiana, Iowa, North Dakota, South Dakota, Montana, New Mexico, Arkansas, Alabama, and Mississippi.
 - c) Dermott Wind, LLC has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the sustainability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate the Applicant to construct the project.
 - d) Without the available tax incentives, the economics of the project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease.
 - e) Without the limitation approval, the Applicant would likely terminate the project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.
 - f) The appraised value limitation is critical to the ability of the project to move forward as currently sited.

- Per Comptroller research:
 - a) On December 17, 2015, *Electric Energy online.com* reported that Electric Transmission Texas, LLC (ETT) has energized the last of seven 345-kilovolt (kV) transmission line projects associated with the Competitive Renewable Energy Zones (CREZ) initiative in west Texas. One of the transmission lines is the Clear Crossing to Dermott, a 90.1 mile line from the Stamford area in Haskell County to the Snyder area in Scurry County at a cost of approximately \$189.2 million.
 - b) On March 15, 2016, the *Snyder Daily News* reported that the Scurry Commissioners Court agreed to a 10-year abatement agreement in which Dermott Wind, LLC will make payments in lieu of taxes. Dermott Wind will pay a minimum of \$175,000 per year for the first five years and \$274,000 per year for the second five years.
 - c) On April 12, 2016, the *Snyder Daily News* reported that a representative of Lincoln Clean Energy said the company has leased 37,000 acres and is expected to commence construction in November, 2016.
 - d) On April 27, 2016, the *Snyder Daily News* reported that the Scurry County Hospital District Board of Directors approved a 10-year payment in lieu of taxes (PILOT) agreement with Dermott Wind, LLC. Chief Financial Officer John Everett said that the PILOT agreement calls for the District to receive \$160,000 per year. After the 10-year agreement expires, the wind farm will return to the tax roll.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Board Finding Number 12.

The Board of Trustees of the Snyder Independent School District hired consultants to review and verify the information in Application #1128. Based upon the consultants' review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board of Trustees has determined that the Tax Limitation Amount requested by the Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Texas Tax Code, § 313.054(a).

Board Finding Number 14.

The Applicant (Taxpayer Id. 32056768115) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 15.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

Board Finding Number 16.

Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

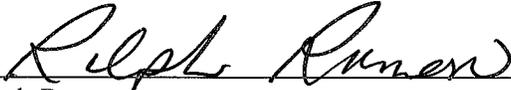
It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Snyder Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the official minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Snyder Independent School District.

[Signature Page to Follow]

Board Findings of the Snyder Independent School District

Dated the 25th day of August, 2016.

SNYDER INDEPENDENT SCHOOL DISTRICT

By: 
Ralph Ramon
President, Board of Trustees

ATTEST:

By: 
Doug Neff
Secretary, Board of Trustees

Findings and Order of the Snyder Independent School District Board of Trustees under the
Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC
(Tax ID 32056768115) (Application # 1128)

ATTACHMENT A
Application of
Dermott Wind, LLC



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

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

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)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Email Address _____

4. On what date did the district determine this application complete?

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)

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ 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.

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ 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)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

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? _____

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

3. List the NAICS code _____

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) _____

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 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
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.

Application for Appraised Value Limitation on Qualified Property

SECTION 9: Projected Timeline

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)*? Yes No
- 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 _____
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property _____
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: _____ <small>(Name, tax rate and percent of project)</small>	City: _____ <small>(Name, tax rate and percent of project)</small>
Hospital District: _____ <small>(Name, tax rate and percent of project)</small>	Water District: _____ <small>(Name, tax rate and percent of project)</small>
Other (describe): _____ <small>(Name, tax rate and percent of project)</small>	Other (describe): _____ <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? _____
2. What is the amount of appraised value limitation for which you are applying? _____

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?

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): \$ _____
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): \$ _____

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)?

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

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?

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

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

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

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

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?

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

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 Item 3

Documentation of Combined Group Membership under Texas Tax Code 171.0001(7)

Dermott Wind, LLC is *not* a Combined Group Member.

1. Dermott Wind, LLC is a Delaware Limited Liability Company formed on March 23rd, 2015. Dermott Wind, LLC has not been required to file a franchise tax report to date.

2. Dermott Wind, LLC is registered in the State of Texas as a foreign limited liability company, File Number 0802182491, in the Office of the Secretary of State. Taxpayer number 32056768115.

3. Dermott Wind, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC, which is registered in the State of Texas as a foreign limited liability company, File Number 0802369618, in the Office of the Secretary of State. Taxpayer number 32059303761.

4. Contact information for Dermott Wind, LLC is as follows:

Contact: Will Furgeson

Phone: (512) 767-7464

Email: wfurgeson@lincolnclean.com



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Comptroller.Texas.Gov

DERMOTT WIND, LLC
401 N MICHIGAN AVE STE 501
CHICAGO IL 60611-5883

POSTED 3/24/2016 [Signature]

Table with taxpayer information: Taxpayer number (32056768115), File number (0802182491), WebFile number (XT513166), Report year (2016), Due date (05/16/2016)

Texas Franchise Taxpayers: Your Annual Report Is Due

Your annual franchise tax report is due on the date shown in the box in the upper right corner of this letter. Even if you have no tax due or no activity to report, Texas tax law requires that you file a franchise tax report and information report each year.

Choose a Reporting Option

There are three reporting options: No Tax Due Report, E-Z Computation Report and the long form report. You will need to choose the best alternative for your situation.

You can file a No Tax Due Report if

- Your business is an entity or a combined group with annualized total revenue less than or equal to the no tax due threshold, or
Your business has zero Texas receipts, or
Your business meets the statutory requirements for a passive entity or a real estate investment trust.

By law, you must file an original No Tax Due Report electronically. You can file free through the Comptroller's WebFile system at www.comptroller.texas.gov/webfile.

You can file an E-Z Computation Report if

- Your business is an entity or a combined group with annualized total revenue of \$20 million or less.
If you choose this option, your business cannot:
- Take any margin deductions (including cost of goods sold or compensation),
- Take any franchise tax credits, or
- Carry over that report year's temporary credit for business loss carryforward to a future period.

You must file a long form report if

- You are not eligible to file either the No Tax Due Report or the E-Z Computation Report, or
You will take franchise tax credits.

Additionally, taxable entities that are part of a combined group engaged in a unitary business must file a combined group report. A passive entity cannot be included in a combined group report.

Request an Extension

The law imposes a \$50 penalty on a report filed after the due date, even if no tax is due. If you need more time to file, request an extension by the due date to avoid the penalty. A combined group must include the Texas Franchise Tax Affiliate List with its first extension request.

Save Time and File Online!

With the Comptroller's secure online system, WebFile (www.comptroller.texas.gov/webfile), you can file a franchise tax report, pay tax due or request an extension. First-time users will need the WebFile number in the box in the upper right corner of this letter to get started. (Note: Your tax preparer may need your WebFile number to file your report electronically.)

continued on back

Franchise Tax

2016 Annual No Tax Due Report

Confirmation

You Have Filed Successfully

Please do NOT send a paper form

[Print this page for your records](#)

Submission ID: 30614032

Date and Time of Filing: 03/24/2016 01:37:20 PM

Taxpayer ID: 32056768115

Taxpayer Name: DERMOTT WIND, LLC

Taxpayer Address: 401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611 - 5883

Entered By: Linda F Glenn

Email Address: lglenn@lincolnclean.com

Telephone Number: (312) 237-4705

IP Address: 38.122.243.98

Additional Reports	
Is this the reporting entity of a combined group?	No
Do any of the entities in the combined group have a temporary business loss preserved?	No
Will your total revenue be adjusted for the Tiered Partnership Election?	No

No Tax Due Report	
SIC Code:	NAICS Code: 221119
Accounting Year Begin Date: 01/01/2015	Accounting Year End Date: 12/31/2015
Is this a passive entity as defined in Chapter 171 of the Texas Tax Code?	No
Is this entity's annualized total revenue below the no tax due threshold?	No
Does the entity have zero Texas Gross Receipts?	Yes
Is this entity a Real Estate Investment Trust (REIT) that meets the qualifications specified in section 171.0002(c)(4)?	No
Total Revenue:	\$0

Mailing Address
Street Address: 401 N MICHIGAN AVE STE 501
City: CHICAGO
State: IL
Zip Code: 60611 - 5883
Country: USA

Public Information Report Taxpayer		
Taxpayer Name: DERMOTT WIND, LLC		
Taxpayer Number: 32056768115		
SOS File Number or Comptroller File Number: 0802182491		
Mailing Address: 401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883		
Principal Office:		
Principal Place Of Business:		
Changes from previous year?: Yes		
Officers, Directors, Managers, Member or General Partner		
Name: Declan Flanagan	Director? Yes	Term Expiration Date:
Title: Director	Mailing Address: 401 N Michigan Ave., Ste. 501 Chicago, IL 60611	

Name: Dennis Meany		Director? Yes	Term Expiration Date:	
Title: President		Mailing Address: 401 N Michigan Ave., Ste. 501 Chicago, IL 60611		
Owned Entity(s)				
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership	
None entered.				
Owners				
Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership	
None entered.				
Registered Agent and Office				
Agent: NATIONAL REGISTERED AGENTS, INC. Office: 1999 BRYAN STREET, SUITE 900 DALLAS, TX 75201-5883				
Declaration Statement				
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.				

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Tab Item 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.

Dermott Wind, LLC (“Dermott Wind”) is requesting a Chapter 313 Appraised Value Limitation Agreement from Snyder ISD for a proposed renewable energy project using wind turbines (the “Project”) to be constructed in Snyder ISD in northwestern Scurry County. The installed capacity of the proposed project is expected to be approximately 253 megawatts (MW). While turbine type and size have yet to be finalized, the current plan is to utilize 2.3 MW turbines. The Project is anticipated to cover over 30,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in November 2016, and is anticipated to be complete in the fourth quarter of 2017. In addition to the wind turbines, the Project will also include an operations and maintenance building, a series of new access roads to the turbines, underground electrical collection cables, meteorological towers, a substation, and an overhead transmission line connecting to a substation at the Point of Interconnection to the new ERCOT transmission line. None of this property is covered under an existing appraisal district account number.

Approximately 200 construction workers are anticipated at peak of construction activity, and approximately 6 permanent, full-time workers are anticipated for the plant management and operations and maintenance functions for the entire project.

Tab Item 5

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

The Applicant for this Project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project.

In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2015. This work consisted of earth-moving to prepare two holes for turbine foundations (though foundations were not installed) and installation of 2,016 linear feet of road connecting the two foundation holes. These were not deemed taxable improvements by the Scurry County Central Appraisal District and no tax bill was delivered.

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 outside of Texas that are competing for limited investment funds. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Tab Item 7

Description of Qualified Investment

Dermott Wind, LLC plans to construct a 253 MW wind farm in Scurry County consisting of 110 turbines.

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within Snyder ISD. The qualified investment in Snyder ISD is expected to include approximately one-hundred and ten (110) GE 2.3MW wind turbine generators, including 80m towers, nacelles, rotors with 116m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, access roads, met towers, spare parts and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the northwestern part of Scurry County. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the Project will also include an operations and maintenance building that will likely be located in the approximate center of the Project. (It is also shown on the map in Tab 11.) The Project will also require a series of new access roads to the turbines, underground electrical collection cables, permanent meteorological towers, a substation, and an overhead transmission line connecting the project substation to the Point of Interconnection.

The 2,016 ft. of road constructed on the project in late 2015 to assist with Production Tax Credit qualification will not be part of the qualified investment or qualified property.

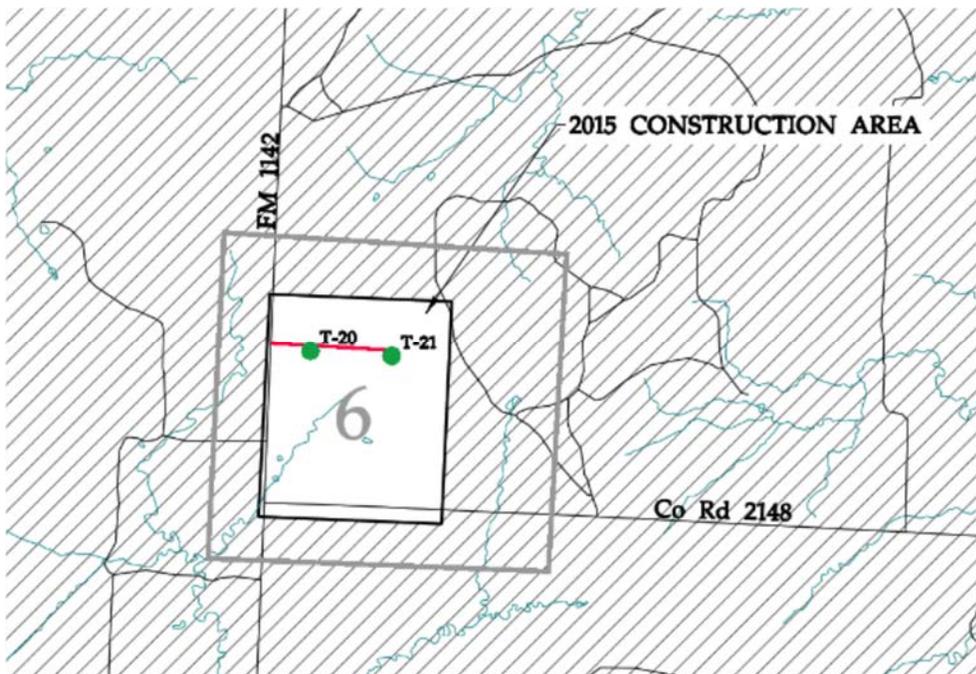
Tab Item 10

Description of all property not eligible to become qualified property

Two-thousand and sixteen feet (2016 ft.) of road was constructed on-site in late 2015 to assist with PTC qualification as noted in Tab Item 5. The installation cost of this road was \$71,568.00. This will not become qualified property and will be excluded from the limitation.

These were not deemed taxable improvements by the Scurry County Central Appraisal District and no tax bill was delivered.

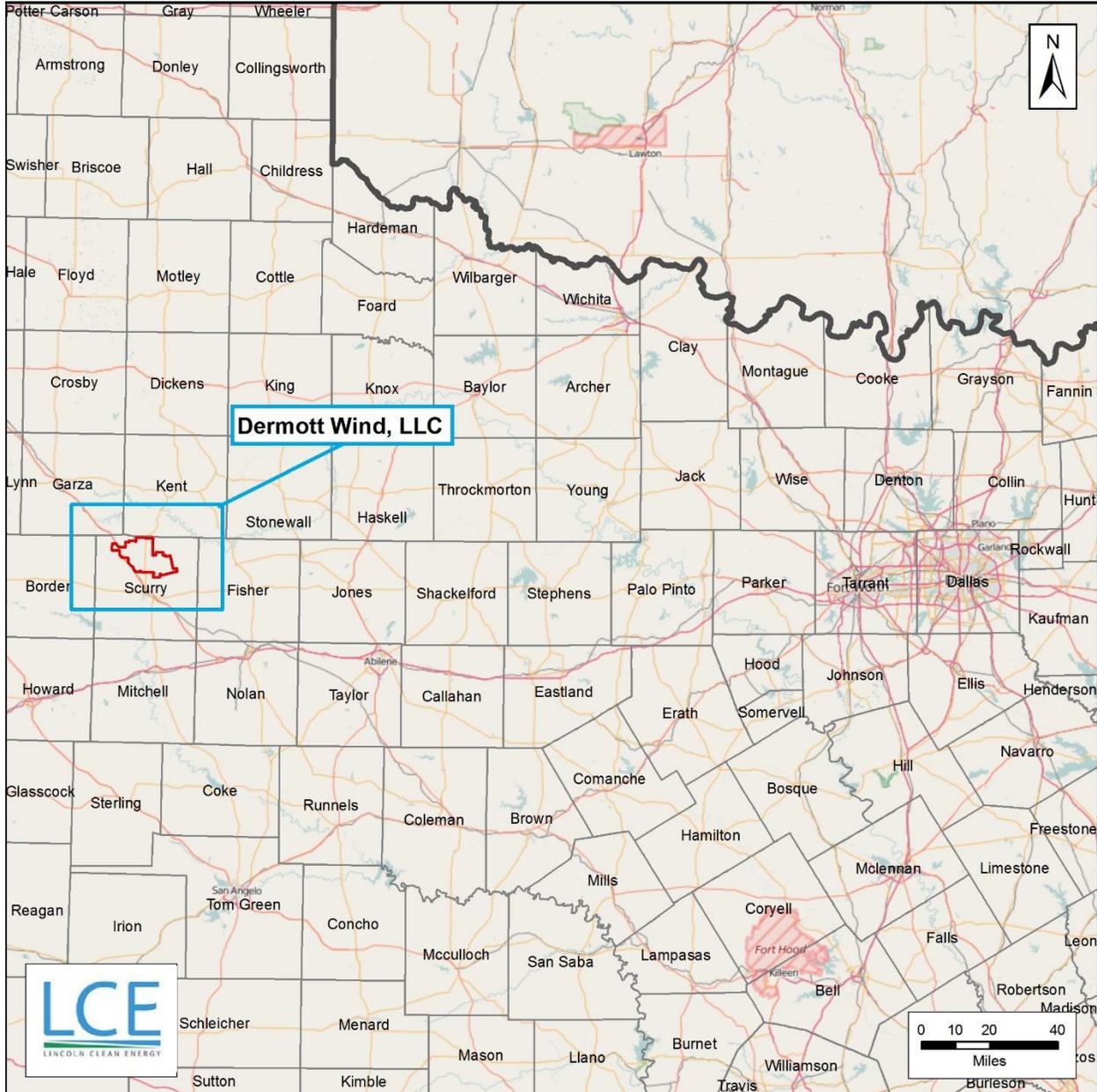
The construction occurred in the SW/4 of Section 567, Block 97, H & TC Survey as pictured below.



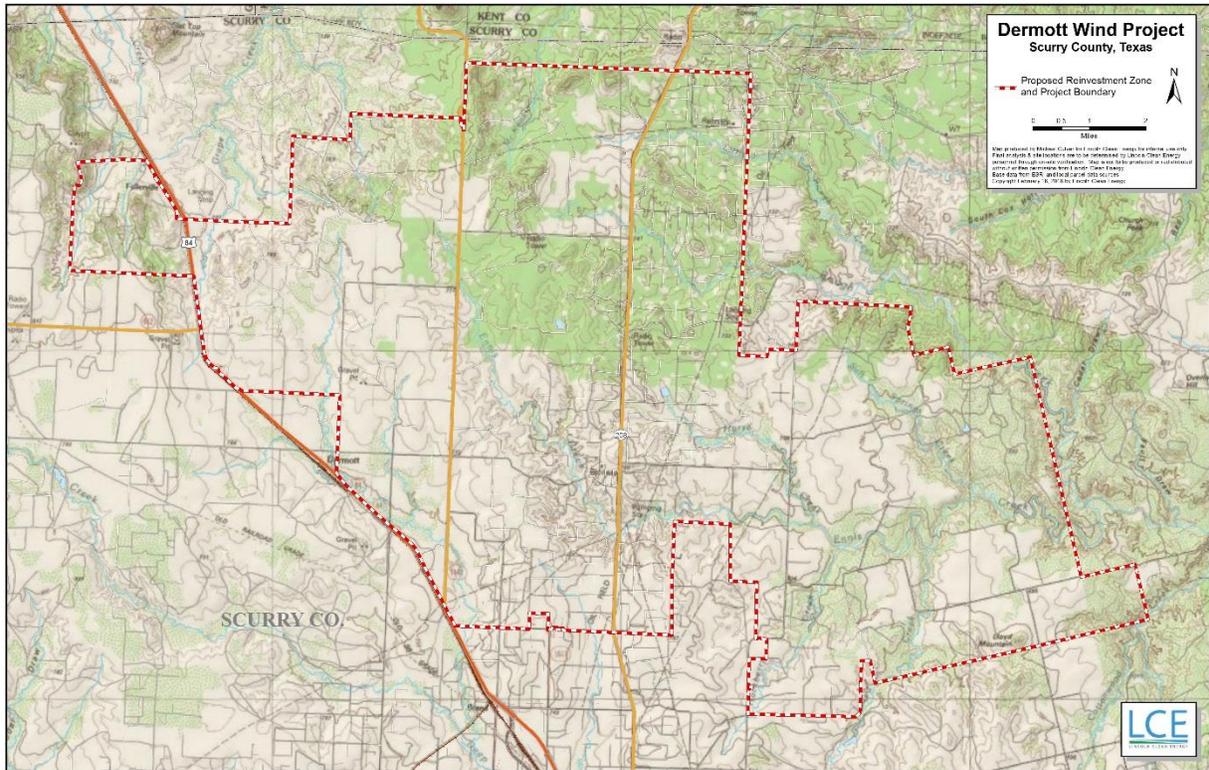
Tab Item 11

Maps

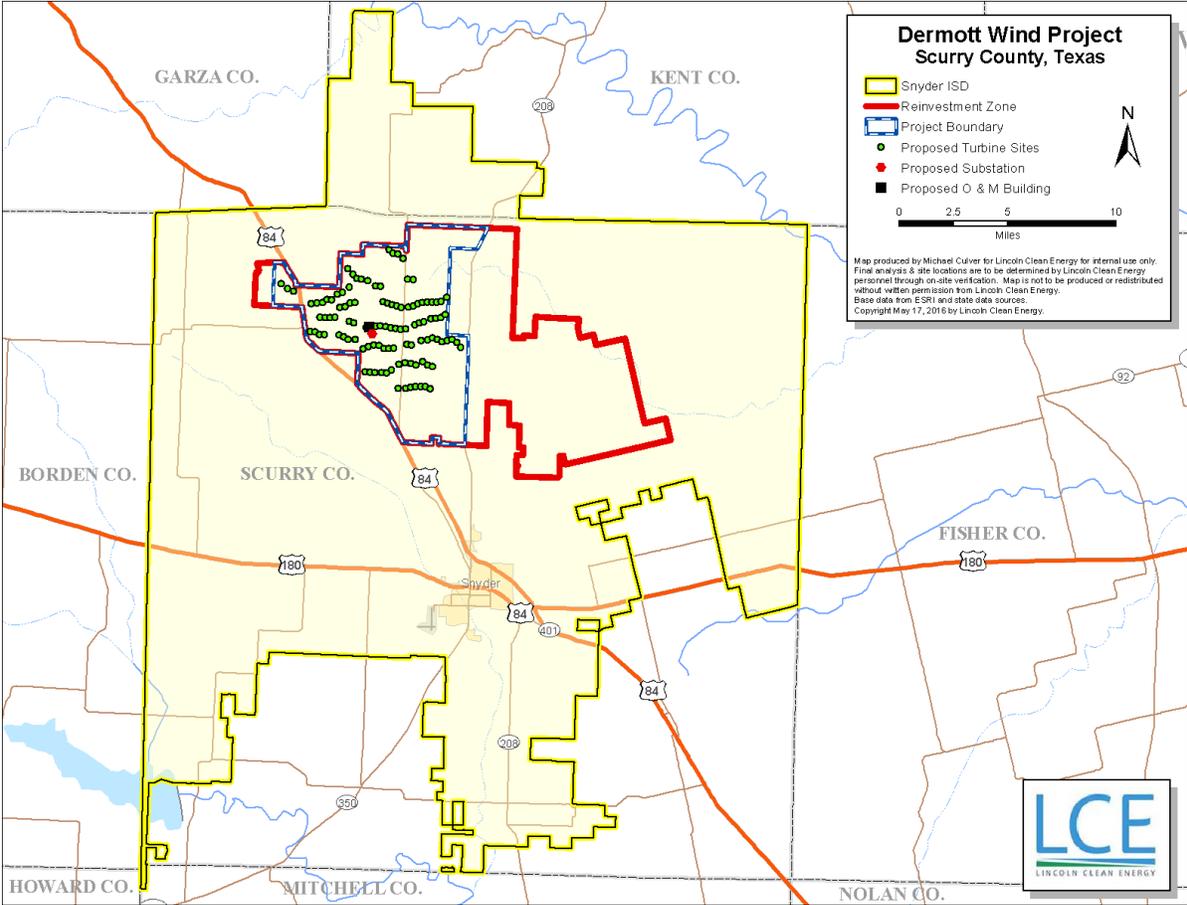
Project Vicinity:



Location of Project and Reinvestment Zone:



Location of Snyder ISD, Reinvestment Zone, Project Boundary, Qualified Investment and Qualified Property:



Tab Item 12

Request For Waiver of Job Creation Requirement

May 24, 2016

Deputy Superintendent Randy Burks
Snyder ISD
2901 37th Street
Snyder, TX 79549

Re: Chapter 313 Job Waiver Request

Dear Deputy Superintendent Burks,

Please consider this letter to be Dermott Wind, LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that six (6) employees would be needed to operate a 253 MW facility, and we can commit to creating six (6) full-time positions to fill those needs. All would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Snyder ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a wind energy facility of this size, as evidenced by limitation agreement applications that have been filed by other wind energy developers, and by documentation related to the development and operation of wind generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners.

Kind Regards,

Charlie Smith
Development Manager
Dermott Wind, LLC

Tab Item 13

Calculation of three possible wage requirements with TWC documentation

Average Weekly Wage for All Jobs (All Industries) in Scurry County

YEAR	PERIOD	AREA	OWNERSHIP	IND-CODE	INDUSTRY	AVG. WEEKLY WAGES
2015	1 st Qtr	Scurry Co.	Total All	10	Total, All Industries	\$1,032
2015	2 nd Qtr	Scurry Co.	Total All	10	Total, All Industries	\$995
2015	3 rd Qtr	Scurry Co.	Total All	10	Total, All Industries	\$956
2015	4 th Qtr	Scurry Co.	Total All	10	Total, All Industries	\$971
Average						\$988.50

110% of \$988.50 = **\$1,087.35**

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	4th Qtr	Scurry County	Total All	00	0	10	Total, All Industries	\$971
2015	2nd Qtr	Scurry County	Total All	00	0	10	Total, All Industries	\$995
2015	3rd Qtr	Scurry County	Total All	00	0	10	Total, All Industries	\$956
2015	1st Qtr	Scurry County	Total All	00	0	10	Total, All Industries	\$1,032

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Average Weekly Wage for Manufacturing Jobs in Scurry County

YEAR	PERIOD	AREA	OWNERSHIP	IND-CODE	INDUSTRY	AVG. WEEKLY WAGES
2015	1 st Qtr	Scurry Co.	Total All	31-33	Total, All Industries	\$1,489
2015	2 nd Qtr	Scurry Co.	Total All	31-33	Total, All Industries	\$1,491
2015	3 rd Qtr	Scurry Co.	Private	31-33	Total, All Industries	\$1,269
2015	4 th Qtr	Scurry Co.	Private	31-33	Total, All Industries	\$1,508
Average						\$1,439.25

110% of \$1,439.25 = **\$1,583.18**

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	4th Qtr	Scurry County	Total All	31	2	31-33	Manufacturing	\$1,508
2015	3rd Qtr	Scurry County	Total All	31	2	31-33	Manufacturing	\$1,269
2015	1st Qtr	Scurry County	Total All	31	2	31-33	Manufacturing	\$1,489
2015	2nd Qtr	Scurry County	Total All	31	2	31-33	Manufacturing	\$1,491

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Average Weekly Wage for Manufacturing Jobs in the Region

West Central Texas COG Annual Wage: \$40,365

\$40,365/52 = \$776/week

110% of \$776 = \$853.88

2014 Manufacturing Average Wages by Council of Government Region Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.18	\$50,305
1. Panhandle Regional Planning Commission	\$21.07	\$43,821
2. South Plains Association of Governments	\$16.75	\$34,834
3. NORTEX Regional Planning Commission	\$20.23	\$42,077
4. North Central Texas Council of Governments	\$25.32	\$52,672
5. Ark-Tex Council of Governments	\$17.80	\$37,017
6. East Texas Council of Governments	\$19.87	\$41,332
7. West Central Texas Council of Governments	\$19.41	\$40,365
8. Rio Grande Council of Governments	\$17.82	\$37,063
9. Permian Basin Regional Planning Commission	\$23.65	\$49,196
10. Concho Valley Council of Governments	\$18.70	\$38,886
11. Heart of Texas Council of Governments	\$20.98	\$43,636
12. Capital Area Council of Governments	\$28.34	\$58,937
13. Brazos Valley Council of Governments	\$17.57	\$36,547
14. Deep East Texas Council of Governments	\$17.76	\$36,939
15. South East Texas Regional Planning Commission	\$29.21	\$60,754
16. Houston-Galveston Area Council	\$26.21	\$54,524
17. Golden Crescent Regional Planning Commission	\$23.31	\$48,487
18. Alamo Area Council of Governments	\$19.46	\$40,477
19. South Texas Development Council	\$13.91	\$28,923
20. Coastal Bend Council of Governments	\$25.12	\$52,240
21. Lower Rio Grande Valley Development Council	\$16.25	\$33,808
22. Texoma Council of Governments	\$20.51	\$42,668
23. Central Texas Council of Governments	\$18.02	\$37,486
24. Middle Rio Grande Development Council	\$20.02	\$41,646

Source: Texas Occupational Employment and Wages

Data published: July 2015

Data published annually, next update will be July 31, 2016

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 Item 14

Schedules A1, A2, B, C, and D completed and signed Economic Impact

(See enclosed Excel sheets)

PROPERTY INVESTMENT AMOUNTS
(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district								
Investment made after filing complete application with district								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016					\$0
Complete tax years of qualifying time period	QTP1	2017-2018	2017	\$320,750,000	\$1,000,000			\$321,750,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$321,678,432	\$1,000,000			\$322,678,432
Total Qualified Investment (sum of green cells)				\$322,678,432				\$322,678,432

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

Date: May 23 2016
 Applicant Name: Dermott Wind, LLC
 ISD Name: Snyder ISD

Form 50-296A
 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	0	2016-2017	2016	\$0	-	-	-	-	-	-
Each year prior to start of Value Limitation Period	0	2017-2018	2017	\$0	-	\$928,432	\$464,216	\$464,216	\$464,216	\$464,216
Value Limitation Period	1	2018-2019	2018	\$0	\$1,000,000	\$315,244,863	\$316,244,863	\$316,244,863	\$316,244,863	\$30,000,000
	2	2019-2020	2019	\$0	\$940,000	\$296,330,172	\$297,270,172	\$297,270,172	\$297,270,172	\$30,000,000
	3	2020-2021	2020	\$0	\$883,600	\$278,550,361	\$279,433,961	\$279,433,961	\$279,433,961	\$30,000,000
	4	2021-2022	2021	\$0	\$830,584	\$261,837,340	\$262,667,924	\$262,667,924	\$262,667,924	\$30,000,000
	5	2022-2023	2022	\$0	\$780,749	\$246,127,099	\$246,907,848	\$246,907,848	\$246,907,848	\$30,000,000
	6	2023-2024	2023	\$0	\$733,904	\$231,359,473	\$232,093,377	\$232,093,377	\$232,093,377	\$30,000,000
	7	2024-2025	2024	\$0	\$689,870	\$217,477,905	\$218,167,775	\$218,167,775	\$218,167,775	\$30,000,000
	8	2025-2026	2025	\$0	\$648,478	\$204,429,231	\$205,077,708	\$205,077,708	\$205,077,708	\$30,000,000
	9	2026-2027	2026	\$0	\$609,569	\$192,163,477	\$192,773,046	\$192,773,046	\$192,773,046	\$30,000,000
	10	2027-2028	2027	\$0	\$572,995	\$180,633,668	\$181,206,663	\$181,206,663	\$181,206,663	\$30,000,000
Continue to maintain viable presence	11	2028-2029	2028	\$0	\$538,615	\$169,795,648	\$170,334,263	\$170,334,263	\$170,334,263	\$170,334,263
	12	2029-2030	2029	\$0	\$506,298	\$159,607,909	\$160,114,207	\$160,114,207	\$160,114,207	\$160,114,207
	13	2030-2031	2030	\$0	\$475,920	\$150,031,435	\$150,507,355	\$150,507,355	\$150,507,355	\$150,507,355
	14	2031-2032	2031	\$0	\$447,365	\$141,029,549	\$141,476,914	\$141,476,914	\$141,476,914	\$141,476,914
	15	2032-2033	2032	\$0	\$420,523	\$132,567,776	\$132,988,299	\$132,988,299	\$132,988,299	\$132,988,299
	16	2033-2034	2033	\$0	\$395,292	\$124,613,709	\$125,009,001	\$125,009,001	\$125,009,001	\$125,009,001
	17	2034-2035	2034	\$0	\$371,574	\$117,136,887	\$117,508,461	\$117,508,461	\$117,508,461	\$117,508,461
	18	2035-2036	2035	\$0	\$349,280	\$110,108,673	\$110,457,953	\$110,457,953	\$110,457,953	\$110,457,953
	19	2036-2037	2036	\$0	\$328,323	\$103,502,153	\$103,830,476	\$103,830,476	\$103,830,476	\$103,830,476
	20	2037-2038	2037	\$0	\$308,624	\$97,292,024	\$97,600,647	\$97,600,647	\$97,600,647	\$97,600,647
Additional years for 25 year economic impact as required by 313.026(c)(1)	21	2038-2039	2038	\$0	\$300,000	\$87,300,000	\$87,600,000	\$87,600,000	\$87,600,000	\$87,600,000
	22	2039-2040	2039	\$0	\$300,000	\$87,300,000	\$87,600,000	\$87,600,000	\$87,600,000	\$87,600,000
	23	2040-2041	2040	\$0	\$300,000	\$87,300,000	\$87,600,000	\$87,600,000	\$87,600,000	\$87,600,000
	24	2041-2042	2041	\$0	\$300,000	\$87,300,000	\$87,600,000	\$87,600,000	\$87,600,000	\$87,600,000
	25	2042-2043	2042	\$0	\$300,000	\$87,300,000	\$87,600,000	\$87,600,000	\$87,600,000	\$87,600,000

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: May 23 2016
 Applicant Name: Dermot Wind, LLC
 ISD Name: Snyder ISD

Form 50-296A
 Revised May 2014

	Construction		Qualifying Jobs						
	Column A	Column B	Column C	Column D	Column E				
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs	
0	2016-2017	2016	10 FTEs	40,000	0	0	0	45,000	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	200 FTEs	40,000	0	0	0	45,000
	1	2018-2019	2018	N/A	N/A	0	6	45,000	
	2	2019-2020	2019	N/A	N/A	0	6	45,000	
	3	2020-2021	2020	N/A	N/A	0	6	45,000	
	4	2021-2022	2021	N/A	N/A	0	6	45,000	
	5	2022-2023	2022	N/A	N/A	0	6	45,000	
	6	2023-2024	2023	N/A	N/A	0	6	45,000	
	7	2024-2025	2024	N/A	N/A	0	6	45,000	
	8	2025-2026	2025	N/A	N/A	0	6	45,000	
	9	2026-2027	2026	N/A	N/A	0	6	45,000	
10	2027-2028	2027	N/A	N/A	0	6	45,000		
Years Following Value Limitation Period	11 through 25	2028-2043	2028-2042			0	6	45,000	

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) 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
 Applicant Name
 ISD Name

23-May-16
 Dermott Wind, LLC
 Snyder 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: Scurry County	2018	10 years	\$715,600	\$462,600	\$253,000
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Scurry County Hospital District	2018	10 Years	\$667,561	\$365,161	\$202,400
Local Government Code Chapters 380/381	Other: Western Texas College	2018	10 Years	\$732,372	\$474,312	\$258,060
	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	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	N/A	N/A
Texas Enterprise Fund	N/A	N/A	N/A	N/A	N/A	N/A
Employee Recruitment	N/A	N/A	N/A	N/A	N/A	N/A
Skills Development Fund	N/A	N/A	N/A	N/A	N/A	N/A
Training Facility Space and Equipment	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure Incentives	N/A	N/A	N/A	N/A	N/A	N/A
Permitting Assistance	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL				\$2,015,533	\$1,302,073	\$713,460

Additional information on incentives for this project:

Terms with Scurry County, Scurry County Hospital District, and Western Texas College have been finalized.

Application for Appraised Value Limitation on Qualified Property

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.

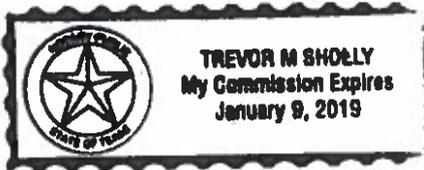
print here ➔	<u>Jim Kirkland</u> <small>Print Name (Authorized School District Representative)</small>	<u>Superintendent</u> <small>Title</small>
sign here ➔	 <small>Signature (Authorized School District Representative)</small>	<u>6/6/2016</u> <small>Date</small>

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.

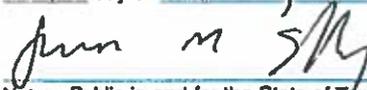
print here ➔	<u>Philip Moore</u> <small>Print Name (Authorized Company Representative (Applicant))</small>	<u>Vice President, Development</u> <small>Title</small>
sign here ➔	 <small>Signature (Authorized Company Representative (Applicant))</small>	<u>05/27/2016</u> <small>Date</small>



(Notary Seal)

GIVEN under my hand and seal of office this, the

27th day of May, 2016


Notary Public in and for the State of Texas

My Commission expires: 1/9/19

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.

Findings and Order of the Snyder Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC (Tax ID 32056768115) (Application # 1128)

ATTACHMENT B
Franchise Account Status of
Dermott Wind, LLC



Franchise Tax Account Status

As of : 08/19/2016 12:07:31 PM

This Page is Not Sufficient for Filings with the Secretary of State

DERMOTT WIND, LLC	
Texas Taxpayer Number	32056768115
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	03/25/2015
Texas SOS File Number	0802182491
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN STREET, SUITE 900 DALLAS, TX 75201

Findings and Order of the Snyder Independent School District Board of Trustees under the
Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC
(Tax ID 32056768115) (Application # 1128)

ATTACHMENT C
Comptroller Letter of
May 10, 2016
Certifying
Application as Complete



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 10, 2016

Randy Burks
Superintendent
Snyder Independent School District
2901 37th street
Snyder, Texas 79549

Dear Superintendent Burks:

On March 24, 2016, the Comptroller's office received from Snyder Independent School District (Snyder ISD) an application from Dermott Wind, LLC for a limitation on appraised value (App #1128).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on May 10, 2016.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the ISD and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Annet Nalukwago with our office. She can be reached by e-mail at annet.nalukwago@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-5656, or direct in Austin at 512-475-5656.

Sincerely,

A handwritten signature in black ink, reading "Korry Castillo", is positioned above the typed name.

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Sara Leon, Powell & Leon, LLP
Philip Moore, Dermott Wind, LLC
Will Furgeson, Dermott Wind, LLC

Findings and Order of the Snyder Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC (Tax ID 32056768115) (Application # 1128)

ATTACHMENT D
Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

July 15, 2016

Randy Burks
Superintendent
Snyder Independent School District
2901 37th Street
Snyder, Texas 79549

Dear Superintendent Burks:

On May 10, 2016, the Comptroller issued written notice that Dermott Wind, LLC (the applicant) submitted a completed application (Application #1128) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on March 10, 2016, to the Snyder Independent School District (the school district) by the applicant.

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

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

Determination required by 313.025(h)

Sec. 313.024 (a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024 (b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024 (d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1128.

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

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c) (1)

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

Determination required by 313.026(c) (2)

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

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

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

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2016.

Note that any building or improvement existing as of the application review start date of May 10, 2016, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at Will.Counihan@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-0758, or direct in Austin at 512 936-0758.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure
cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Dermott Wind, LLC (the project) applying to Snyder Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d) (2).

Table 1 is a summary of investment, employment and tax impact of Dermott Wind, LLC.

Applicant	Dermott Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Eletric Generation
School District	Snyder ISD
Estimated 2014-2015 Average Daily Attendance	2,603
County	Scurry
Proposed Total Investment in District	\$322,678,434
Proposed Qualified Investment	\$321,678,432
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant*	6
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$865
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)B	\$854
Minimum annual wage committed to by applicant for qualified jobs	\$45,000
Minimum weekly wage required for non-qualifying jobs	\$1,045
Minimum annual wage required for non-qualifying jobs	\$54,314
Investment per Qualifying Job	\$53,779,739
Estimated M&O levy without any limit (15 years)	\$33,147,549
Estimated M&O levy with Limitation (15 years)	\$10,976,379
Estimated gross M&O tax benefit (15 years)	\$22,171,171
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 2 is the estimated statewide economic impact of Dermott Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	0	0	0	\$0	\$0	\$0
2016	10	9	19	\$400,000	\$600,000	\$1,000,000
2017	200	177	377	\$8,000,000	\$14,000,000	\$22,000,000
2018	6	17	23	\$270,000	\$3,730,000	\$4,000,000
2019	6	15	21	\$270,000	\$2,730,000	\$3,000,000
2020	6	10	16	\$270,000	\$1,730,000	\$2,000,000
2021	6	10	16	\$270,000	\$1,730,000	\$2,000,000
2022	6	10	16	\$270,000	\$1,730,000	\$2,000,000
2023	6	10	16	\$270,000	\$1,730,000	\$2,000,000
2024	6	10	16	\$270,000	\$1,730,000	\$2,000,000
2025	6	17	23	\$270,000	\$1,730,000	\$2,000,000
2026	6	12	18	\$270,000	\$1,730,000	\$2,000,000
2027	6	15	21	\$270,000	\$1,730,000	\$2,000,000
2028	6	10	16	\$270,000	\$1,730,000	\$2,000,000
2029	6	6	12	\$270,000	\$730,000	\$1,000,000
2030	6	4	10	\$270,000	\$730,000	\$1,000,000

Source: CPA, REMI, Dermott Wind, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Snyder ISD I&S Tax Levy	Snyder ISD M&O Tax Levy	Snyder ISD M&O and I&S Tax Levies	Scurry County Tax Levy	Scurry County Hospital District Tax Levy	Western Texas College Tax Levy	Estimated Total Property Taxes
				0.1240	1.0400		0.3127	0.2064	0.2457	
2018	\$316,244,863	\$316,244,863		\$392,144	\$3,288,947	\$3,681,090	\$988,898	\$652,729	\$777,014	\$6,099,731
2019	\$297,270,172	\$297,270,172		\$368,615	\$3,091,610	\$3,460,225	\$929,564	\$613,566	\$730,393	\$5,733,747
2020	\$279,433,961	\$279,433,961		\$346,498	\$2,906,113	\$3,252,611	\$873,790	\$576,752	\$686,569	\$5,389,722
2021	\$262,667,924	\$262,667,924		\$325,708	\$2,731,746	\$3,057,455	\$821,363	\$542,147	\$645,375	\$5,066,339
2022	\$246,907,848	\$246,907,848		\$306,166	\$2,567,842	\$2,874,007	\$772,081	\$509,618	\$606,653	\$4,762,359
2023	\$232,093,377	\$232,093,377		\$287,796	\$2,413,771	\$2,701,567	\$725,756	\$479,041	\$570,253	\$4,476,617
2024	\$218,167,775	\$218,167,775		\$270,528	\$2,268,945	\$2,539,473	\$682,211	\$450,298	\$536,038	\$4,208,020
2025	\$205,077,708	\$205,077,708		\$254,296	\$2,132,808	\$2,387,105	\$641,278	\$423,280	\$503,876	\$3,955,539
2026	\$192,773,046	\$192,773,046		\$239,039	\$2,004,840	\$2,243,878	\$602,801	\$397,884	\$473,643	\$3,718,207
2027	\$181,206,663	\$181,206,663		\$224,696	\$1,884,549	\$2,109,246	\$566,633	\$374,011	\$445,225	\$3,495,114
2028	\$170,334,263	\$170,334,263		\$211,214	\$1,771,476	\$1,982,691	\$532,635	\$351,570	\$418,511	\$3,285,407
2029	\$160,114,207	\$160,114,207		\$198,542	\$1,665,188	\$1,863,729	\$500,677	\$330,476	\$393,401	\$3,088,283
2030	\$150,507,355	\$150,507,355		\$186,629	\$1,565,276	\$1,751,906	\$470,636	\$310,647	\$369,797	\$2,902,986
2031	\$141,476,914	\$141,476,914		\$175,431	\$1,471,360	\$1,646,791	\$442,398	\$292,008	\$347,609	\$2,728,807
2032	\$132,988,299	\$132,988,299		\$164,905	\$1,383,078	\$1,547,984	\$415,854	\$274,488	\$326,752	\$2,565,078
			Total	\$3,952,208	\$33,147,549	\$37,099,757	\$9,966,576	\$6,578,514	\$7,831,109	\$61,475,955

Source: CPA, Dermott Wind, LLC

¹Tax Rate per \$100 Valuation

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

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

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Snyder ISD I&S Tax Levy	Snyder ISD M&O Tax Levy	Snyder ISD M&O and I&S Tax Levies	Scurry County Tax Levy	Scurry County Hospital District Tax Levy	Western Texas College Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.1240	1.0400		0.3127	0.2064	0.2457	
2018	\$316,244,863	\$30,000,000		\$392,144	\$312,000	\$704,144	\$253,000	\$202,400	\$258,060	\$1,417,604
2019	\$297,270,172	\$30,000,000		\$368,615	\$312,000	\$680,615	\$253,000	\$202,400	\$258,060	\$1,394,075
2020	\$279,433,961	\$30,000,000		\$346,498	\$312,000	\$658,498	\$253,000	\$202,400	\$258,060	\$1,371,958
2021	\$262,667,924	\$30,000,000		\$325,708	\$312,000	\$637,708	\$253,000	\$202,400	\$258,060	\$1,351,168
2022	\$246,907,848	\$30,000,000		\$306,166	\$312,000	\$618,166	\$253,000	\$202,400	\$258,060	\$1,331,626
2023	\$232,093,377	\$30,000,000		\$287,796	\$312,000	\$599,796	\$253,000	\$202,400	\$258,060	\$1,313,256
2024	\$218,167,775	\$30,000,000		\$270,528	\$312,000	\$582,528	\$253,000	\$202,400	\$258,060	\$1,295,988
2025	\$205,077,708	\$30,000,000		\$254,296	\$312,000	\$566,296	\$253,000	\$202,400	\$258,060	\$1,279,756
2026	\$192,773,046	\$30,000,000		\$239,039	\$312,000	\$551,039	\$253,000	\$202,400	\$258,060	\$1,264,499
2027	\$181,206,663	\$30,000,000		\$224,696	\$312,000	\$536,696	\$230,000	\$202,400	\$258,060	\$1,227,156
2028	\$170,334,263	\$170,334,263		\$211,214	\$1,771,476	\$1,982,691	\$532,635	\$351,570	\$418,511	\$3,285,407
2029	\$160,114,207	\$160,114,207		\$198,542	\$1,665,188	\$1,863,729	\$500,677	\$330,476	\$393,401	\$3,088,283
2030	\$150,507,355	\$150,507,355		\$186,629	\$1,565,276	\$1,751,906	\$470,636	\$310,647	\$369,797	\$2,902,986
2031	\$141,476,914	\$141,476,914		\$175,431	\$1,471,360	\$1,646,791	\$442,398	\$292,008	\$347,609	\$2,728,807
2032	\$132,988,299	\$132,988,299		\$164,905	\$1,383,078	\$1,547,984	\$415,854	\$274,488	\$326,752	\$2,565,078
			Total	\$3,952,208	\$10,976,379	\$14,928,587	\$4,869,202	\$3,583,189	\$4,436,669	\$27,817,647
			Diff	\$0	\$22,171,171	\$22,171,171	\$5,097,374	\$2,995,325	\$3,394,439	\$33,658,309

Source: CPA, Dermott Wind, LLC

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Dermott Wind, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$4,828	\$4,828	\$0	\$0
Limitation Period (10 Years)	2017	\$312,000	\$316,828	\$2,976,947	\$2,976,947
	2018	\$312,000	\$628,828	\$2,779,610	\$5,756,556
	2019	\$312,000	\$940,828	\$2,594,113	\$8,350,670
	2020	\$312,000	\$1,252,828	\$2,419,746	\$10,770,416
	2021	\$312,000	\$1,564,828	\$2,255,842	\$13,026,258
	2022	\$312,000	\$1,876,828	\$2,101,771	\$15,128,029
	2023	\$312,000	\$2,188,828	\$1,956,945	\$17,084,974
	2024	\$312,000	\$2,500,828	\$1,820,808	\$18,905,782
	2025	\$312,000	\$2,812,828	\$1,692,840	\$20,598,621
	2026	\$312,000	\$3,124,828	\$1,572,549	\$22,171,171
Maintain Viable Presence (5 Years)	2027	\$1,771,476	\$4,896,304	\$0	\$22,171,171
	2028	\$1,665,188	\$6,561,492	\$0	\$22,171,171
	2029	\$1,565,276	\$8,126,768	\$0	\$22,171,171
	2030	\$1,471,360	\$9,598,128	\$0	\$22,171,171
	2031	\$1,383,078	\$10,981,207	\$0	\$22,171,171
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$1,300,094	\$12,281,300	\$0	\$22,171,171
	2033	\$1,222,088	\$13,503,388	\$0	\$22,171,171
	2034	\$1,148,763	\$14,652,151	\$0	\$22,171,171
	2035	\$1,079,837	\$15,731,988	\$0	\$22,171,171
	2036	\$1,015,047	\$16,747,035	\$0	\$22,171,171
	2037	\$911,040	\$17,658,075	\$0	\$22,171,171
	2038	\$911,040	\$18,569,115	\$0	\$22,171,171
	2039	\$911,040	\$19,480,155	\$0	\$22,171,171
	2040	\$911,040	\$20,391,195	\$0	\$22,171,171
	2041	\$911,040	\$21,302,235	\$0	\$22,171,171
		\$21,302,235	is less than	\$22,171,171	

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Dermott Wind, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	0	0	0	\$0	\$0	\$0	0	0	\$0
2016	10	9	19	\$400,000	\$600,000	\$1,000,000	53405.8	53405.8	\$0
2017	200	177	377	\$8,000,000	\$14,000,000	\$22,000,000	1190185.5	-671386.7	\$1,861,572
2018	6	17	23	\$270,000	\$3,730,000	\$4,000,000	167846.7	251770	-\$83,923
2019	6	15	21	\$270,000	\$2,730,000	\$3,000,000	144958.5	244140.6	-\$99,182
2020	6	10	16	\$270,000	\$1,730,000	\$2,000,000	129699.7	228881.8	-\$99,182
2021	6	10	16	\$270,000	\$1,730,000	\$2,000,000	122070.3	198364.3	-\$76,294
2022	6	10	16	\$270,000	\$1,730,000	\$2,000,000	106811.5	183105.5	-\$76,294
2023	6	10	16	\$270,000	\$1,730,000	\$2,000,000	91552.7	160217.3	-\$68,665
2024	6	10	16	\$270,000	\$1,730,000	\$2,000,000	137329.1	152587.9	-\$15,259
2025	6	17	23	\$270,000	\$1,730,000	\$2,000,000	129699.7	122070.3	\$7,629
2026	6	12	18	\$270,000	\$1,730,000	\$2,000,000	129699.7	114440.9	\$15,259
2027	6	15	21	\$270,000	\$1,730,000	\$2,000,000	129699.7	61035.2	\$68,665
2028	6	10	16	\$270,000	\$1,730,000	\$2,000,000	76293.9	53405.8	\$22,888
2029	6	6	12	\$270,000	\$730,000	\$1,000,000	53405.8	53405.8	\$0
2030	6	4	10	\$270,000	\$730,000	\$1,000,000	53405.8	22888.2	\$30,518
2031	6	2	8	\$270,000	\$730,000	\$1,000,000	30517.6	-22888.2	\$53,406
2032	6	6	12	\$270,000	-\$270,000	\$0	15258.8	-38147	\$53,406
2033	6	0	6	\$270,000	\$730,000	\$1,000,000	0	-91552.7	\$91,553
2034	6	0	6	\$270,000	-\$270,000	\$0	-45776.4	-99182.1	\$53,406
2035	6	(2)	4	\$270,000	-\$270,000	\$0	-76293.9	-114440.9	\$38,147
2036	6	(6)	0	\$270,000	-\$270,000	\$0	-91552.7	-198364.3	\$106,812
2037	6	(2)	4	\$270,000	-\$270,000	\$0	-99182.1	-213623	\$114,441
2038	6	(4)	2	\$270,000	-\$1,270,000	-\$1,000,000	-122070.3	-259399.4	\$137,329
2039	6	(6)	0	\$270,000	-\$270,000	\$0	-122070.3	-305175.8	\$183,106
2040	6	(6)	0	\$270,000	-\$1,270,000	-\$1,000,000	-167846.7	-366210.9	\$198,364
2041	6	(4)	2	\$270,000	-\$1,270,000	-\$1,000,000	-198364.3	-411987.3	\$213,623
2042	6	(10)	-4	\$270,000	-\$1,270,000	-\$1,000,000	-213623	-419616.7	\$205,994
Total							\$1,625,061	-\$1,312,256	\$2,937,317
							\$24,239,552	is greater than	\$22,171,171

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Dermott Wind LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per the applicant in Tab 5 of the application:
 - a) Dermott Wind, LLC 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.
 - a) The applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. These include Oklahoma, Nebraska, Indian, Iowa, North Dakota, South Dakota, Montana, New Mexico, Arkansas, Alabama and Mississippi.
 - b) Dermott Wind, LLC has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate the applicant to construct the project.
 - c) Without the available tax incentives, the economics of the project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease.

- d) Without the limitation approval, the applicant would likely terminate the project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.
- e) The appraised value limitation is critical to the ability of the project to move forward as currently sited.
- Per Comptroller research:
 - a) On December 17, 2015, *Electric Energy online.com* reported that, Electric Transmission Texas, LLC (ETT) has energized the last of seven 345-kilovolt (kV) transmission line projects associated with the Competitive Renewable Energy Zones (CREZ) initiative in west Texas. One of the transmission lines is the Clear Crossing to Dermott, a 90.1 miles line from the Stamford area in Haskell County the Snyder Area in Scurry County at a cost of approximately \$189.2 million.
 - b) On March 15, 2016, the *Snyder Daily News* reported that the Scurry Commissioners Court agreed to a 10 year abatement agreement in which Dermott Wind, LLC will make payments in lieu of taxes. Dermott Wind will pay a minimum of \$175,000 per year for the first five years and \$274,000 per year for the second five years.
 - c) April 12, 2016, the *Snyder Daily News* reported that a representative of Lincoln Clean Energy said the company has leased 37,000 acres and is expected to commence construction in November, 2016.
 - d) April 27, 2016, the *Snyder Daily News* reported that, the Scurry County Hospital District board of directors approved a 10 year payment in lieu of taxes (PILOT) agreement with Dermott Wind, LLC. Chief Financial Officer John Everett said that the PILOT agreement calls for the district to receive \$160,000 per year. After the 10 year agreement expires, the wind farm will return to the tax roll.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 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 (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<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
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.

Supporting Information

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

Tab Item 5

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

The Applicant for this Project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project.

In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2015. This work consisted of earth-moving to prepare two holes for turbine foundations (though foundations were not installed) and installation of approximately 2,000 linear feet of road connecting the two foundation holes. These were not deemed taxable improvements by the Scurry County Central Appraisal District and no tax bill was delivered.

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 outside of Texas that are competing for limited investment funds. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Electric Transmission Texas energizes last of seven CREZ transmission lines in west Texas

December 17, 2015

The overall CREZ initiative involves nine different transmission service providers, including ETT, constructing 2,400 miles of transmission lines to carry 18,500 megawatts of west Texas wind generation to major load centers in ERCOT.

Electric Transmission Texas, LLC (ETT) has energized the last of seven 345-kilovolt (kV) transmission line projects associated with the Competitive Renewable Energy Zones (CREZ) initiative in west Texas.

The Edith Clarke to Cottonwood transmission line was energized to the Electric Reliability Council of Texas (ERCOT) grid Dec. 4. The transmission line is 88.4 miles long and runs from the Crowell area in Foard County to the Afton area in Dickens County. This phase of the ETT CREZ program represents approximately \$175.4 million of ETT's estimated total CREZ investment of approximately \$1.5 billion.

Energizing the Edith Clarke to Cottonwood transmission line completes the last of the seven greenfield 345-kV transmission projects assigned to ETT as part of the CREZ initiative. The overall CREZ initiative involves nine different transmission service providers, including ETT, constructing 2,400 miles of transmission lines to carry 18,500 megawatts of west Texas wind generation to major load centers in ERCOT. All CREZ projects are scheduled for completion by the end of 2013. ETT received the second largest assignment of CREZ projects from the Public Utility Commission of Texas (PUCT).

ETT, a joint venture between subsidiaries of AEP and MidAmerican Energy Holdings Company, received 20 percent of the Texas CREZ initiative. ETT's share of the CREZ project includes building approximately 460 miles of new double-circuit 345-kV lines, upgrading three 138-kV existing lines totaling 178 miles and 16 switching stations, as well as acquiring rights-of-way across 578 tracts of land and upgrading existing stations and transmission lines. It is the largest transmission construction venture in AEP's history, and one of its most demanding.

The other six 345-kV transmission lines include:

- Riley to Edith Clarke - a 41.5-mile line running from the Vernon area in Wilbarger County to the Crowell area in Foard County at a cost of approximately \$91.8 million
- Tesla to Riley - a 65.6-mile line from the Childress area in Childress County to the Vernon area in Wilbarger County at a cost of approximately \$134.5 million
- Tesla to Edith Clarke - a 55-mile line from the Vernon area in Wilbarger County to the Crowell area in Foard County at a cost of approximately \$98.3 million

- Edith Clarke to Clear Crossing - a 79.2-mile line from the Crowell area in Foard County to the Stamford area in Haskell County at a cost of approximately \$157.7 million
- Clear Crossing to Dermott - a 90.1-mile line from the Stamford area in Haskell County to the Snyder area in Scurry County at a cost of approximately \$189.2 million
- Clear Crossing to West Shackelford - a 33.7-mile line from the Stamford area in Haskell County to the Albany area in Shackelford County at a cost of approximately \$76.5 million.

"This truly is an example where the theme teamwork and technology' applies," said ETT President Calvin Crowder. "There were hundreds of employees and contractors from various companies and departments within the AEP organization working together to ensure that we completed these projects in advance of the 2013 year-end deadline set by the Public Utility Commission of Texas.

"In addition to assigning ETT the second largest share of the transmission projects, the PUCT also assigned ETT the largest amount of advanced technology projects associated with the CREZ initiative," Crowder added. "Given that the ETT CREZ transmission projects are located in the center or backbone' of the area designated for development, ETT was charged with incorporating new technology that supports system stability as the power produced by wind generators in remote west Texas areas is carried long distances to the eastern areas of ERCOT."

For more information:

Organization:

Electric Transmission Texas LLC

Address:

400 W 15th St

Austin, Texas

United States, 78701

www.ettexas.com

Tel: 512-391-6301

Snyder Daily News

Vol. 67 No. 272

Tuesday, March 15, 2016

8 Pages • 75¢

Home of
Donald Hartzog



Yvette Villarreal

U.S. Navy
Operation Desert Storm/Shield

Today's Veterans sponsored by
Nix's Auto & Tire Service
1510 25th Street 573-3567

INSIDE

College basketball
tournaments schedules
- See Page 5

WEATHER



Robert McComb

Monday's high: 83 degrees
Monday's low: 43 degrees
7 a.m. reading today: 58 degrees
Precipitation: None
2016 precipitation: 0.83 of an inch

TODAY'S QUOTE

One man with courage
makes a majority.
- Andrew Jackson

FINANCES

WT-Int. Crude	\$37.18
WTIC Posted	\$33.50
Natural Gas	\$1.82
Patterson-LTI	\$17.38
Oxy-Permian	\$67.60
Kinder Morgan	\$17.75

LOTTERY

Monday's Results
Texas Two Step
3-24-28-35 BB: 32

Cash Five
13-15-16-26-36

Pick 3 Morning
4-1-7 Sum It Up: 12

Pick 3 Day
9-9-3 Sum It Up: 21

Pick 3 Evening
6-8-8 Sum It Up: 22

Pick 3 Night
3-1-3 Sum It Up: 7

Daily 4 Morning
6-1-2-6 Sum It Up: 15

Daily 4 Day
8-2-5-8 Sum It Up: 23

Daily 4 Evening
7-8-4-1 Sum It Up: 20

Daily 4 Night
9-9-7-9 Sum It Up: 34

Ask Us

Q — When is the District 2-4A track meet?

A — Snyder will host the District 2-4A track meet on April 12 and April 14

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Taking a swing



Noah Preston was among the first children who got to swing a bat at a piñata Monday afternoon at the Scurry County Museum.

SDN Photo/Shirley A. Gorman

Commissioners OK Dermott wind farm tax abatement

The Scurry County Commission Court agreed to the terms of a tax abatement agreement with Dermott Wind, LLC, during today's meeting.

The court agreed to a 10-year abatement agreement in which Dermott Wind will make payments in lieu of taxes. Dermott Wind will pay a minimum of \$175,000 per year for the first five years and \$274,000 per year for the second five years. Those figures are based on 100 turbines producing 225 megawatts.

Commissioners also agreed to enter a road use agreement with Dermott Wind for roads related to the construction and installation of wind turbines in the northwest part of the county.

The court opened six bids for the general contractor on the Cavender Road project. No action was taken on the bids. The bids will be considered and discussed at a future meeting.

Commissioners approved and adopted an adjustment to the county's investment policy, adding Texas Class in addition to keeping TexPool County Treasurer Nelda Colvin said Texas Class has a better interest rate than TexPool and said it would be helpful for the treasurer's office.

The court proclaimed March to be National March on Month in Scurry County. The court also accepted donations to the Scurry County Library and Scurry County Senior Citizens' Center.

The court approved a \$3,000 line-item transfer for the Scurry County Senior Citizens' Center from utilities to maintenance: repair and miscellaneous expenses to pay for major plumbing repairs, an oven and an air conditioning/heating unit.

See Abatement, Page 8

Seven people given prison sentences by Armstrong

Seven people are headed to prison after appearing in District Judge Ernie B. Armstrong's courtroom recently.

Paul Eugene Anderson, 43, of Snyder, had his probation on burglary of a building and possession of a controlled substance revoked after he was found in possession of a firearm on Sept. 6.

He had originally been given a two-year sentence, probated five years, and was ordered to pay a \$1,500 fine and \$610 in court and attorney fees, as well as participate in the TAIP program.

His probation on the drug charge was revoked after he broke into a habitation and attempted to steal a shotgun, television, jewelry and tools from his victim on Sept. 9.

On that original possession of a controlled substance charge, Anderson was given a two-year sentence, probated five years, and ordered to pay a \$1,500 fine, \$180 in restitution and \$610 in court and attorney fees.

Those two-year sentences will be served concurrently.

Anderson was given a five-year sentence after he entered a guilty plea to a third-degree felony charge of unlawful possession of a firearm by a felon.

He was also ordered to pay a \$1,500 fine and \$909 in court and attorney fees.

Anderson was caught in possession of a firearm on Sept. 6. He will serve that five-year sentence after he completes his two-year sentence.

Anderson was also given a 10-year sentence, which he will serve concurrently with his five-year sentence, after pleading guilty to second-degree felony burglary of a habitation.

In addition to the sentence, he was ordered to pay a \$1,500 fine, \$950 in restitution and \$909 in court and attorney fees.

The charge stems from a September incident in which he attempted to steal a firearm from his victim.

Clint Thomas Purifoy, 36, of Odessa, was given a pair of sentences he will serve concurrently after entering guilty pleas.

On a third-degree felony charge of evading arrest, Purifoy was sentenced to

30 years. He was also ordered to pay \$919 in court and attorney fees.

On Nov. 18, 2014, Purifoy attempted to flee from a peace officer.

He was given a second 30-year sentence after pleading guilty to bail jumping/failure to appear, a third-degree felony, enhanced.

On that charge he was also ordered to pay \$909 in court and attorney fees. Purifoy did not appear for a Jan. 10 court hearing.

He has previous convictions for burglary of a habitation in May 2002 in Ector County and December 2004 in Tom Green County.

Bartley Murl Goodman, 39, of Snyder, See Prison, Page 8

Five acres burned



The Snyder Fire Department sent three trucks and 11 firefighters to fight a grass fire on FM 1606, five miles west of Ira, at 2:03 p.m. Monday. Deputy Fire Marshal Brad Bawcum said the fire burned about five acres and took the fire department about 30 minutes to get under control. A power line is believed to be the cause of the fire, Bawcum said.

SDN Photo/Glen Brockenbush

Asphalt repairs scheduled on city streets this week

Sections of Austin Ave and 37th Street will be closed this week as asphalt repairs are made to the street surfaces, according to a press release from the City of Snyder.

Crews started making asphalt cut repairs Monday on Austin Ave, between 37th and 42nd streets, and on 37th Street, between Ave. V and El Paso Ave. The construction is scheduled to continue until Friday.

A new waterline is being installed on 32nd Street, between Beaumont Ave. and Ave. V. Installation began Monday and is expected to last until the end of the month.

From April 1-6, water lines will be tied in on 32nd Street, from Beaumont Ave. to Ave. V, causing residents in that area to be without water for about an hour while the service changes over.

DCOS board to meet Wednesday

The Development Corporation of Snyder (DCOS) board of directors will meet Wednesday morning.

The board is scheduled to review financial information and hear Executive Director Bill Laters' monthly report.

A closed session to discuss real property and prospects is also scheduled. Any action needed from the closed session will be conducted in open session.

The meeting will begin at 7 a.m. in the DCOS boardroom located in the Prosperity Bank complex.

States should not jail people over fine nonpayment, Justice Department says

WASHINGTON (AP) — The Justice Department is discouraging state court systems from jailing poor defendants who fail to pay fines or fees, warning against practices that it says run afoul of the Constitution and erode community trust.

A letter sent Monday by the federal government to state court administrators makes clear that judges should consider alternatives to jail, such as community service, for poor defendants who don't pay their fines.

It also stated judges must consider whether defendants have the ability to pay and should not turn to incarceration without first establishing that a missed payment was willful. The memo arose after a December meeting convened by the Obama administration that brought together judges, court administrators, prosecutors and others to discuss improvements in how court fees and fines are assessed. The guidance comes amid concerns that some local courts are effectively punishing poor people for their poverty by imposing crippling fines and fees that, when unpaid, may result in jail time.

That practice was exposed last year in a federal report on the Ferguson, Mo. city government in which the Justice Department concluded that the municipal court levied exorbitant fines for petty offenses and routinely issued arrest warrants to residents who missed court appearances.

Spring clean up



Adam Blume (l-r), Brittany Smith and Dylan Nobles helped pick up loose branches and twigs in the yard outside Scurry Community Services today. Scurry Community Services is asking volunteers to help spruce up the facility this week.

SDN Photo/Glen Brockenbush

Snyder Daily News

Vol. 67 No. 296

Tuesday, April 12, 2016

8 Pages • 75¢

Home of
Mark Whitmire



Bobby Goodwin
U.S. Navy
1956-59

Today's Veterans sponsored by
Nix's Auto & Tire Service
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WEATHER



Nicolas Malmsten

Monday's high: 80 degrees
Monday's low: 49 degrees
7 a.m. reading today: 50 degrees
Precipitation: None
2016 precipitation: 1.56 inches

TODAY'S QUOTE

Don't be afraid to expand yourself, to step out of your comfort zone. That's where the joy and the adventure lie.
- Herbie Hancock

CORRECTION

In the weekend edition, Snyder Deputy Fire Marshal Nathan Hines was misidentified as fellow Deputy Fire Marshal Brad Bawcum in a front page outline. The *Snyder Daily News* apologizes for the error.

LOTTERY

Monday's Results
Texas Two Step
14-19-22-35 BB: 9

Cash Five
3-19-30-32-33

Pick 3 Morning
6-2-4 Sum It Up: 12

Pick 3 Day
5-2-4 Sum It Up: 11

Pick 3 Evening
9-4-5 Sum It Up: 18

Pick 3 Night
6-6-1 Sum It Up: 13

Daily 4 Morning
2-0-4-8 Sum It Up: 14

Daily 4 Day
9-6-9-4 Sum It Up: 26

Daily 4 Evening
9-0-4-4 Sum It Up: 17

Daily 4 Night
5-8-2-4 Sum It Up: 19

ASK US

Q — Was a cause ever determined in the March 22 motor vehicle accident involving Snyder police Cpl. Trey Patrick?

A — Snyder Chief of Police Terry Luecke said Cpl. Patrick lost control of his vehicle after coughing.

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Pct. 3 voters will cast ballots at county barn

All Scurry County voters who live in Pct. 3 will vote at the county barn on election day during the May 24 runoff. County Clerk Melody Appleton said since a locally contested race is on the ballot, the Texas Secretary of State's office informed her that one voting location must be open in that precinct on election day. All voters who vote in Pct. 8, 9 and 10 will vote at the barn on election day, she said.

All other voters will cast ballots on the

first floor of the Scurry County Courthouse.

The Republican Party nomination for the Scurry County Commissioners' Court Pct. 3 seat will be determined between Shawn McCowen and Howard Limmer.

Glen Robertson and Jodey Arrington will meet for the Republican Party nomination for the District 19 U.S. House of Representatives seat.

No Democrats filed to run for either

office.

Other Republican Party runoffs will be for Railroad Commissioner (Gary Gates and Wayne Christian), the Place 2 seat on the Criminal Appeals Court (Mary Lou Keel and Ray Wheelless) and the Place 5 seat on the Court of Criminal Appeals (Scott Walker and Brent Webster).

The only Democratic Party runoff will be for Railroad Commissioner. Grady Yarbrough will face Cody Garratt. Appleton said since both parties will

have a runoff, voters may only cast ballots in the primary in which they voted in on March 1. Anyone who did not vote on March 1 is eligible to vote in the runoff they choose, she said.

All early voting will be held May 16-20 on the first floor of the courthouse from 8:30 a.m. to 5 p.m.

On May 24, both the barn and courthouse will be open from 7 a.m. to 7 p.m. To be eligible to vote in the election, a person must be registered by April 25.

WTC board approves abatement application

The Western Texas College board of trustees, on Monday, approved a tax abatement contract with Lincoln Clean Energy, which will develop Dermott Wind, LLC.

Will Ferguson, who works in Lincoln Clean Energy's Austin office, said the company has leased 37,000 acres in the Dermott area and will build a wind farm that will have as many as 110 turbines. He said Lincoln Clean Energy is looking to install 2.3 megawatt turbines and construction should begin in November, with the farm being operational during the third quarter of 2017.

Ferguson said the proposed abatement would generate \$2.5 million for the college over the 10-year agreement, if approved by trustees next month.

Chief Financial Officer Patricia Claxton said the college will accept bids for its maintenance/custodial contract this year. Soleda is the current contractor and Claxton said other companies have expressed interest in submitting bids. She hopes to bring a recommendation for board approval during the July

11 meeting. Roy Bartels, chief technology and information security officer, informed the board that he will be reviewing proposals for the phone service. The college is currently paying \$8,000 per month for the service.

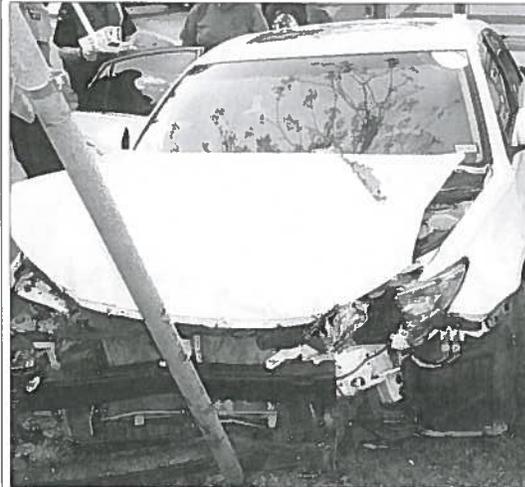
WTC President Dr. Barbara Beebe announced that Rep. Dustin Barrows, R-Lubbock, will be the commencement speaker at the May 6 ceremony at The Coliseum.

Trustees voted to cancel the May 7 election since there were no contested races. Incumbents Tim Riggan will represent Place 3 and Dr. Jay Kidd will represent Place 4.

Texas Association of School Board policy updates, the investment policy, which must be updated annually, and an updated mission statement/goals were approved.

Drew Bullard will represent trustees on the Scurry County Museum board of directors and Eddie Peterson will be the representative on the WTC Foundation board of directors. Mark McClain was also approved to serve on the foundation board.

Two injured



Two people were transported to Cogdell Memorial Hospital after a two-vehicle accident at the intersection of 35th Street and Austin Ave. at 5:16 p.m. Monday.

SDN Photo/Glen Brockenbush

Historical groups schedule community event to raise money

By Shirley A. Gorman
SDN Features Editor

The Rosewood Chapel in Heritage Village on The Coliseum grounds is in need of repainting, but the coffers of Historic Scurry County, Inc. and the Scurry County Historical Commission have been depleted by other painting projects.

Repainting and repairing the Cornelius Dodson House and the Dermott School recently cost \$20,000, according to Elyndabeth Toland, president of Historic Scurry County, Inc.

She said they incurred additional expense because some of the wood on the Dodson House had rotted and needed to be replaced before it could be painted. "The wood for the Dodson House had to be specially milled in Lubbock," Toland said. "That cost us \$2,500 and the process took six weeks."

Toland complimented the car-

entry work involved in replacing the damaged panels.

Before the first stroke of the paint brush could be applied, Toland said the wood on the house and school was scraped and primer was applied.

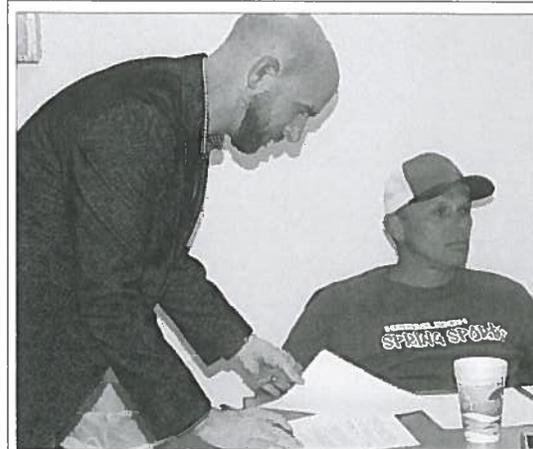
"That's what the experts at Southern Electric advised us to do. We didn't want to have to repaint the buildings anytime soon," Toland said.

Southern Electric also sold the paint to them at contractors' prices, which helped reduce the overall cost, she said.

With fresh coats of paint on the school and house, Toland said they are now looking to paint the chapel built by Bernhard Bartels in 2011. With their resources depleted, she said they began looking for ways to raise more money.

At the same time, some members of the historical organizations began downsizing their

See Funds, Page 2



New Hermleigh ISD Superintendent Brent Dawson (left) signed his contract after Monday's board of trustees meeting. Also pictured is board member Bubba Betts.

SDN Photo/Glen Brockenbush

Hermleigh board finalizes contract with Dawson; Mallory resigns as AD

The Hermleigh ISD board of trustees finalized the contract of new Superintendent Brent Dawson during Monday's meeting.

Dawson, who was named the lone finalist on March 21, signed a two-year contract with an \$83,000 annual salary. Dawson, who is the current superintendent at Strawn ISD, will replace Ronnie Roemisch, who will retire after his contract expires on June 30.

Dawson said he is happy to have the contract finalized and is eager to get started.

"You're anxious and kind of nervous, but the main thing is you're excited," Dawson said. "I'm hoping to come back in May so I can start building relationships and familiarize myself with the community."

The board also accepted the resignations of pre-kindergarten teacher Karen Whittenburg, high school teacher Tracy Dickerhoff and football coach/athletic director Shane Mallory, who was named as the new coach at Union Hill.

Mallory's letter of resignation, which he handed in on Thursday, stated he was not actively looking to leave Hermleigh, but was offered a job opportunity which would not likely be available in the next couple of years.

He led Hermleigh to a 10-2 record in 37 years and the school's first district championship in 2015 and first playoff win in 41 years.

The board also approved a \$13,000 request to move the electrical hookup for the school district's Internet equipment located at the former high school building to a tower located near the new facility.

The board approved an instructional material allotment and TEKS certifications for the 2016-17 school year.



Mallory

Grand Champion anniversary screening moved to June 17-18

The 15th anniversary celebration of *Grand Champion* has been postponed, according to Barry Tubb, the writer, producer and director of the film.

Tubb said two outdoor screenings are now planned for Father's Day weekend, June 17-18. Each showing will begin at dusk at 1301 Ave. T.

Admission is by donation, Tubb said, and all proceeds will benefit the Scurry County Boys and Girls Club.

"Everyone will be welcome to the movie screenings, regardless of donation," Tubb said.

Children's activities will be held earlier in the day and a gospel brunch featuring barbecue prepared by Norman Malone will be served.

"Gospel singers are welcome to apply to perform on those dates," Tubb said.

He also encouraged moviegoers to bring blankets and lawn chairs.

Scurry County residents appeared in *Grand Champion*, which starred Emma Roberts, Julia Roberts, Bruce Willis, Jacob Fisher and Joey Lauren Ad-

See Screening, Page 2

Snyder Daily News

Vol. 67 No. 309

Wednesday, April 27, 2016

8 Pages • 75¢

Home of
Denise McCauley



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WEATHER



Stephanie Kirkland
Tuesday's high: 89 degrees
Tuesday's low: 54 degrees
7 a.m. reading today: 54 degrees
Precipitation: 0.02 of an inch
2016 precipitation: 4.61 inches

DECISION 2016

Snyder ISD Early Voting
Through Tuesday, April 26
Monday's Votes: 30
Total Votes: 78
Source: Snyder ISD

CORRECTION

In Tuesday's edition, a headline was incorrect for the Ira Tahoka softball game story. The Lady Bulldogs defeated Tahoka. The *Snyder Daily News* apologizes for the mistake.

LOTTERY

Tuesday's Results
Mega Millions
14-16-17-28-48 MB: 2
Megaplier: 2

Cash Five
2-13-17-28-37

Pick 3 Morning
5-1-5 Sum It Up: 11

Pick 3 Day
5-6-2 Sum It Up: 13

Pick 3 Evening
4-3-2 Sum It Up: 9

Pick 3 Night
2-6-6 Sum It Up: 16

Daily 4 Morning
8-4-8-0 Sum It Up: 20

Daily 4 Day
3-6-1-9 Sum It Up: 19

Daily 4 Evening
0-9-1-2 Sum It Up: 12

Daily 4 Night
6-6-8-8 Sum It Up: 28

Ask Us

Q — Is the tank dam at the nature trail park leaking, and if so, are there any plans to fix it?

A — Scurry County Parks Superintendent Larry Thompson said the tank dam is seeping, but not leaking, and will not fail. Thompson said that tank dam, as well as the other tank dams in the county, have been seeping since about October and said there is "no fixing it."

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Hospital board approves PILOT agreement

By Ben Barkley
SDN Managing Editor

The Scurry County Hospital District board of directors approved a 10-year payment in lieu of taxes (PILOT) agreement with Dermott Wind, LLC, which is being developed by Lincoln Clean Energy, during today's meeting.

Chief Financial Officer John Everett said the PILOT agreement calls for the district to receive \$160,000 per year. After the 10-year agreement expires, the wind farm will return to the tax roll, Everett said. Will Ferguson, who works in Lincoln Clean Energy's Austin office, previously said the company has leased 37,000 acres in

the Dermott area and will build a wind farm that will have as many as 110 turbines.

He said Lincoln Clean Energy is looking to install 2.3 megawatt turbines and construction should begin in November, with the farm being operational during the third quarter of 2017.

The board also approved moving

the 2015 fiscal year but the finance committee will not meet.

Board chairman Russell Riggs said appointments will need to be made to the finance committee since Job Bob Cave and Morris Light will no longer be on the board of directors.

The May 25 agenda will include appointing the committee and hearing the financial audit

for the 2015 fiscal year.

The board also approved several policy updates. They were for home health, nutritional service diet manual, menu changes, menu planning, patient food service, patient clean liquid diet, meal service to patients, suspected stroke and trauma team activation guidelines and activation levels.

Job opportunities



Dr. Berry Jordan (right), the STEM grant project director at Western Texas College, discussed engineering projects to Snyder High School juniors (l-r) Zachary Patter, Jacob Gonzalez, Isidro Martinez and Howon Bang at the Jump Start Expo at The Coliseum today.

SDN Photo/Glen Brockenbush

Trustees recess talks on football coach; no decision made

The Snyder ISD board of trustees held a nearly 90-minute closed session today, to discuss the vacant head football coach/athletic director position, then recessed without making a decision.

Board chairman Ronnie Anderson and the board returned from the closed session to announce the meeting was recessed until 2:45 p.m. because board member Jim Drake had a prior engagement.

Anderson said the board would meet at 2:45 p.m. and convene in closed session to continue the discussions.

Any action needed from the talks in closed session will be done in open session.

The board and Superintendent Jim Kirkland met in closed session to hear the administration's recommendation for James Polk's replacement.

The *Snyder Daily News* will publish the board's decision on its website, as well as the newspaper's Facebook and Twitter pages, once the meeting concludes.

The district paid search firm Champion \$5,000 to help compile and screen applicants.

Kirkland interviewed seven candidates for the position last week when James Polk resigned to take a similar position at Gainesville ISD.

Polk was the head coach for two seasons at Snyder, leading the Tigers to the Class 4A Division I playoffs in 2015. He was an assistant coach under former Snyder coach Aubrey Sims.

Since Polk's resignation, Andrew Roy was named the interim head coach and Brad Weese was named the interim athletic director.

Weese was recently hired as the girls' basketball coach at Gainesville High School.

Snyder 2015's season will begin with a road game against Midland Greenwood on Aug. 26. The first home game of 2016 will be against Seminole on Sept. 9.

Snyder will compete in a district with Big Spring, Brownwood, Stephenville and Wylie.

Ira trustees to review 2016-17 school calendar

The Ira ISD board of trustees on Thursday will review and vote on the 2016-17 school calendar. No other action items are listed on the agenda. Trustees will hear reports from the administration

covering school topics and financial issues. The meeting will begin at 6:30 p.m. in the boardroom located in the Roy Sallee Gym and open to the public.

Gruben: Cotton farmers may benefit from recent rains

Local cotton farmers should benefit from the recent rains, Texas A&M AgriLife Extension Agent Greg Gruben said.

But first they may have some repair work to complete in the fields after the storms that brought more than four inches of rain to parts of Scurry County.

"In some places, it came pretty fast and broke some terraces," Gruben said. "So there's going to need to be some repair work before they can get started planting."

Scurry County was taken out of a drought stage by the U.S. Drought Monitor last week after nearly four inches of rainfall this month. Gruben said he believes cotton farmers should be excited about the recent rains, especially

because there was still underground moisture from last year's rains.

Gruben said cotton farmers will need a wet summer to produce a good enough crop to offset recent low cotton prices.

"We need to have a big crop to try to help some of those guys out," Gruben said. "The price is not good right now."

Gruben said the early rains were nice, but not necessarily a sign of what's to come.

"Last year, we were on pace to have a bumper crop," Gruben said. "But after a while, it just dried up. As long as Mother Nature doesn't turn off the faucet, we'll be OK. Otherwise, we could be back in a wreck real quick."

Playoff time



Snyder seniors Bailey Garcia (left) and Cholee James talk before Monday's practice at Gates Field. The Lady Tigers will play Dalhart in a Class 4A bi-district softball playoff game at 6:30 p.m. Thursday in Plainview. For more on the game, see Page 5.

SDN Photo/Larry McCarty



Nikki Hale held a garbage bag open while her son, Luke, emptied a bucket of trash during Saturday's work day at Deep Creek Park. Also pictured is Liam Hale.



Audrey Hentley helped rake Deep Creek Park Saturday.

Snyder Christian School cleans up Deep Creek Park

In honor of Earth Day, Snyder Christian School held its second work day at Deep Creek Park on Saturday.

Students and parents raked and carried away trash bags filled with leaves.

Students included Audrey Herring, Mya Hale, Shelby Powell and Luke Hale.

According to teacher Liffin Moller, the first work day a few months ago included trimming

branches and hauling away loads of trash. The group also planted flowers, including bachelor buttons, wine cups, bluebonnets, moonrises and poppies.

"We purchased the flower seeds from Scurry Gardens at a discount," Moller said. "Recent rains really helped the flowers grow."

Mulch — provided by the city — will be applied in the future, Moller said.

Math scores slip for nation's high school seniors

WASHINGTON (AP) — It's not a promising picture for the nation's high school seniors — they are slipping in math, not making strides in reading and only about one-third are prepared for the academic challenges of entry-level college courses.

Scores released today from the Nation's Report Card show one-quarter of 12th graders taking the test performed proficiently or better in math. Only 37 percent of the students were

proficient or above in reading.

The average score for math in 2015 declined one point from 2013, marking the first drop in a decade. For reading, scores were flat over the same period of time, and down five points from more than two decades ago when the test was first given to students in 1992.

The Education Department's Peggy Carr said the report suggests a pattern in scores for reading that needs a deeper look.

"There is a gap, a widening of a gap of higher and lower ability students, and I think that's something we need to think about," said Carr, acting commissioner of the National Center for Education Statistics.

Reading scores increased for the highest-performing students last year, up two points for the highest group of performers on the test, and down six points from 2013 for the lowest-performing seniors.

Findings and Order of the Snyder Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC
(Tax ID 32056768115) (Application # 1128)

ATTACHMENT E
Summary of Financial Impact on
Snyder Independent School District
Prepared by
Jigsaw School Finance Solutions, LLC

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
DERMOTT WIND, LLC PROJECT (APP # 1128) ON THE
FINANCES OF SNYDER ISD UNDER A REQUESTED
CHAPTER 313 APPRAISED VALUE LIMITATION

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
AUGUST 15, 2016

Introduction

Dermott Wind, LLC has submitted an application to the Snyder ISD Board of Trustees for a property value limitation on a proposed project under Chapter 313 of the Tax Code. The Snyder ISD Board of Trustees accepted the application on March 10, 2016. The application is for a renewable energy project as authorized by Sec. 313.024 (b) of the Tax Code with a proposed \$292 million qualified investment.

This project is consistent with the state's goal for economic development, the expanded intent of House Bill 1200 as originally passed by the Texas Legislature in 2001 and amended thereafter, and with Chapter 313 of the Texas Tax Code.

Dermott Wind, LLC is proposing to invest in Snyder ISD for a proposed renewable energy project located in Scurry County Texas. Snyder ISD may offer a minimum value limitation of \$30 million under the provisions of Chapter 313. Under Sec. 313.027, the application must provide that the limitation under Subsection (a) applies for a period of 10 years; and (2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after: (A) the application date; (B) the qualifying time period; or (C) the date commercial operations begin at the site of the project. Dermott Wind, LLC proposes a January 1, 2018 beginning date of the limitation. For the purpose of this review, the limitation would extend from school year 2018-19 through 2027-28 (years 1-10). Beginning with the 2018-19 school year, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for ten years for maintenance and operations (M&O) taxes. The entire project value will be fully taxable for debt service purposes.

School Finance Background

Snyder ISD intends to offer a value limitation for this project of \$30 million effective school year 2018-19 through 2027-28. As a result, the project will impact the local tax roll of the school district at that same amount for M&O taxes only. Taxes for debt service, voter approved projects financed by the sale of bonds, will be at the full taxable value. I&S taxes for any future projects approved by the voters of the district will also be assessed against the full taxable value. Depreciation will reduce the taxable value of the project over time at an estimated annual rate of about 6% in accordance with schedule B of the application.

While taxes are collected by the district on the current year county appraisal district (CAD) value, the state funding formulas use the comptroller's property tax division (CPTD) value for the purpose of calculating the district's required local shares within the funding tiers of that formula. The CPTD is a reflection of last year's CAD value; therefore, it lags behind the CAD value in all years. As a result, state and local revenues are generated by two different values in any given year.

With the passage of House Bill 1 in the 2006 special legislative session, the school finance system in Texas moved from one that was formula driven with a maximum M&O tax rate of \$1.50 to one that was, and continues to be, target revenue driven at a maximum tax rate of generally \$1.04, voter approval for a higher tax rate up to \$1.17 notwithstanding. This means

that many districts now receive additional state aid for tax reduction (ASATR) to offset the loss in state and local funds at the new maximum \$1.04 M&O tax cap vs. what was previously generated at the \$1.50 maximum M&O tax cap. The stated goal is for ASATR revenue to be completely eliminated by school year 2017-18.

This initial school finance analysis incorporates the principal legislative changes adopted in May 2015 following the 84th Regular Session of the Texas Legislature. The basic allotment was raised from \$5040 to \$5140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from \$61.86 in 2014-15 to \$74.28 in 2015-16 and \$77.53 in 2016-17. Future legislative sessions will determine the course of school finance after school year 2016-17.

Underlying Assumptions

The drivers of the funding mechanisms for Texas school districts are the current year property values, known as the County Appraisal District (CAD values), the prior year property values [after review by the Texas State Comptroller become the “comptroller’s property tax division” (CPTD) values (used for next year funding)] and Average Daily Attendance (ADA of current funding year).

In calculating district’s state and local tax revenue for any year the current year CAD values, current year ADA and prior year CPTD is used. The 2015 Comptroller’s CPTD values were used in this review. For the purposes of these calculations, the starting point is to determine the projected CAD value for the 2016-17 school year. The District’s 2016 local CAD certified value is \$2,116,468,046. This value was adjusted for M&O purposes given that the district has a current Chapter 313 agreement #61 that will expire in Tax Year 2017.

ADA of 2613 has been used as the basis of these calculations for the duration of the agreement. Dermott Wind, LLC has requested a waiver of the job creation requirement and increased student enrollment is not anticipated as a result of this facility.

For the Chapter 313 projects, 15 years of data must be calculated. In order to provide calculations extended 15 years into the future and to isolate the impact of the proposed project by Dermott Wind, LLC, certain constants and assumptions are used.

1. The estimates presented below are based upon the school funding system and formulas as defined by House Bill 1 passed in 2015 as mentioned above. In addition, the hold harmless provisions related to the additional \$10,000 homestead exemption outlined in Senate Bill 1 and the constitutional amendment approved by the voters in November 2015 have also been factored into this review as the provisions are understood at this time. This school funding system and formulas were used for the duration of the project; although, no guarantee exists that this system or these formulas will remain in effect after the 2016-17 school year.
2. The ADA funding driver used is 2613 was held constant for the duration of the agreement.

3. The general approach used here is to maintain relatively static base property values. The certified freeze adjusted CAD taxable value as furnished by Scurry and Kent County Appraisal Districts for school year 2016-17 as released in July 2016 was used as the base value. Once the base value was established as described above, Dermott Wind, LLC's project values for each year as set forth in schedule B of their application were added. These projected CAD values were then used for the CPTD values in each of the following years based on the lag between these two values as heretofore explained.
4. Although the impact of the approval of this agreement could result in lower M&O tax rates in future years, evaluation of the M&O tax rate is not included in the scope of this analysis. The calculated tax collections each year are based on the district's 2015-16 adopted M&O rate of \$1.04 and was used for the duration of the review with an assumed collection rate of 100 percent each year.

The enrollment and property value assumptions are summarized in Table 1.

Table 1 – Data Assumptions for Snyder ISD and Dermott Wind, LLC, – This table illustrates by year the tax rates, CAD Values with the Limitation in place, CAD Values for full taxable value for I&S purposes and the respective move to the next year of those values to the CPTD value. This respective data is then used as the basis for calculations in Tables 2 - 4.

Tables 2 - 4 – M&O Revenue Without the Limitation and With the Limitation – The first set of calculations (Table 2) uses the data to calculate the baseline revenue by adding the value of the proposed facility to the model, but without assuming that the value limitation is approved. The second set of the calculations (Table 3) show the M&O taxes and state revenue with the limitation in place. Section 313.027(f)(1) of the Tax Code requires all Value Limitation agreements provide school district revenue protection language. The ending result after the basic calculations are performed is to illustrate the difference between the two sets of calculations since this will be the basis for the revenue protection under the agreement (Table 4). **If the full value of the project increases significantly during the value limitation period, the school district revenue losses may be larger than these estimates.**

Financial Impact on the District

A summary of the differences in Table 2 and Table 3 are summarized in Table 4. A loss in total state and local M&O revenue to the district is noted in year one resulting from the agreement due to the inverted value lag between the CPTD and CAD values during the first year of the value limitation. Gains are noted in years 2-11. The slightly larger gain noted in year 11 is due primarily to another value lag between the CPTD and CAD values, the inverse of that observed in year 1. Any significant M&O revenue increase however, will be mitigated since increases in taxable value after the limitation period ends will count against SISD's tax rollback calculation under current law. As mentioned above, the evaluation of the M&O tax rate is not included in the scope of this analysis.

This analysis also assumes the aforementioned elimination of ASATR funding at the end of school year 2016-17.

M&O Impact on Taxpayer (Dermott Wind, LLC)

In tax year 2018, the tax value limitation applies, but only to the M&O portion of the M&O taxes collected at the assumed rate of \$1.04 per \$100 of taxable value.

Under these provisions and the assumptions used in this analysis, Dermott Wind, LLC has the potential savings in M&O taxes of \$22.1 million over the life of the agreement. This does not include school revenue loss or any other supplemental payments permitted by law. The revenue loss estimate is approximately \$2.7 million dollars. The potential net tax benefit is estimated to total \$19.5 million after the hold harmless provision but before any negotiated supplemental payments. Dermott Wind, LLC is not eligible for a tax credit(s) on taxes paid on value in excess of the value limitation in the years prior to the value limitation becoming effective. House Bill (HB) 3390 as passed by the 83rd Texas Legislature repealed the provision for tax credits. Correspondingly the provision for the school district to make such payments to Dermott Wind, LLC and the reimbursement by the state for such tax credit payments has been eliminated. Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. **It is important to note that future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.**

I&S Funding Impact on School District

The project remains fully taxable for debt service purposes. SISD currently levies \$0.124 per \$100 for I&S taxes with 2033-34 being the final year of the current aggregated debt service obligation for the district. The value of the Dermott Wind, LLC project is expected to depreciate over the term of the agreement and beyond, but full access to the additional value is expected to increase the District's projected wealth per ADA to \$680,288 in the peak year of I&S taxable project value. Even with depreciation in project values in future years, local taxpayers should benefit from the addition of the project to the local I&S tax roll.

The Dermott Wind, LLC project is not expected to affect SISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population.

Conclusion

While some uncertainty exists concerning school finance legislation during the course of this project, the following points appear to currently apply to the Dermott Wind, LLC project and the SISD. The proposed project enhances the tax base of SISD and it

reflects continued capital investment and job creation in keeping with the goals of Chapter 313 of the Tax Code. Under the assumptions outlined above, the potential tax savings for Dermott Wind, LLC under a Chapter 313 agreement could reach an estimated \$19.5 million. This amount is after the anticipated revenue loss payment, and prior to any supplemental payments to SISD as permitted by law. The additional taxable value also enhances the tax base of SISD in meeting possible future debt service obligations without creating an overall financial loss for the district with regard to M&O earnings over the term of the agreement provided Dermott Wind, LLC contractually agrees to offset the revenue loss that is indicated in the Table 5.

Table 1 - Base District Information with Dermott Wind, LLC Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP 1	2016-17	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,077,230,836	\$2,077,230,836	\$2,671,461,055	\$2,671,461,055	\$747,052	\$747,052
QTP 2	2017-18	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,086,003,517	\$2,086,003,517	\$2,077,230,836	\$2,077,230,836	\$580,880	\$580,880
LP 1	2018-19	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,432,712,909	\$2,146,468,046	\$2,086,003,517	\$2,086,003,517	\$583,334	\$583,334
LP 2	2019-20	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,413,738,218	\$2,146,468,046	\$2,432,712,909	\$2,146,468,046	\$680,288	\$600,242
LP 3	2020-21	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,395,902,007	\$2,146,468,046	\$2,413,738,218	\$2,146,468,046	\$674,982	\$600,242
LP 4	2021-22	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,379,135,970	\$2,146,468,046	\$2,395,902,007	\$2,146,468,046	\$669,994	\$600,242
LP 5	2022-23	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,363,375,894	\$2,146,468,046	\$2,379,135,970	\$2,146,468,046	\$665,306	\$600,242
LP 6	2023-24	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,348,561,423	\$2,146,468,046	\$2,363,375,894	\$2,146,468,046	\$660,899	\$600,242
LP 7	2024-25	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,334,635,821	\$2,146,468,046	\$2,348,561,423	\$2,146,468,046	\$656,756	\$600,242
LP 8	2025-26	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,321,545,754	\$2,146,468,046	\$2,334,635,821	\$2,146,468,046	\$652,862	\$600,242
LP 9	2026-27	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,309,241,092	\$2,146,468,046	\$2,321,545,754	\$2,146,468,046	\$649,201	\$600,242
LP 10	2027-28	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,297,674,709	\$2,146,468,046	\$2,309,241,092	\$2,146,468,046	\$645,760	\$600,242
VP 1	2028-29	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,286,802,309	\$2,286,802,309	\$2,297,674,709	\$2,146,468,046	\$642,526	\$600,242
VP 2	2029-30	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,276,582,253	\$2,276,582,253	\$2,286,802,309	\$2,286,802,309	\$639,485	\$639,485
VP 3	2030-31	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,266,975,401	\$2,266,975,401	\$2,276,582,253	\$2,276,582,253	\$636,627	\$636,627
VP 4	2031-32	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,257,944,960	\$2,257,944,960	\$2,266,975,401	\$2,266,975,401	\$633,941	\$633,941
VP 5	2032-33	2,613.00	3,576.00	\$1.0400	\$0.1240	\$2,249,456,345	\$2,249,456,345	\$2,257,944,960	\$2,257,944,960	\$631,416	\$631,416

Basic Allotment: \$5140; AISD Yield: 2015-16 \$74.28/2016-17 and beyond \$77.53.; Equalized Wealth: \$514,000 per WADA

QTP = Qualifying Time Period
 LP = Limitation Period
 VP = Continue to Maintain Viable Presence

Table 2 - "Baseline Revenue Model" - Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Tier II	Recapture at the \$514,000 Level	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
QTP 1	2016-17	\$20,772,308	\$1,199,143	\$8,923,293	\$31,494	-\$6,188,447	\$830,892	\$0	\$0	\$68,228	\$25,636,911
QTP 2	2017-18	\$20,860,035	\$838,875	\$0	\$279,589	-\$2,303,580	\$834,401	\$0	\$0	\$68,193	\$20,577,514
LP 1	2018-19	\$24,327,129	\$838,875	\$0	\$320,013	-\$2,789,743	\$973,085	\$0	\$0	\$66,663	\$23,736,022
LP 2	2019-20	\$24,137,382	\$838,875	\$0	\$134,986	-\$5,679,964	\$965,495	\$0	\$0	\$66,748	\$20,463,522
LP 3	2020-21	\$23,959,020	\$838,875	\$0	\$142,519	-\$5,500,074	\$958,361	\$0	\$0	\$66,827	\$20,465,528
LP 4	2021-22	\$23,791,360	\$838,665	\$0	\$149,500	-\$5,332,504	\$951,654	\$0	\$0	\$77,500	\$20,476,175
LP 5	2022-23	\$23,633,759	\$838,665	\$0	\$156,156	-\$5,173,434	\$945,350	\$0	\$0	\$77,500	\$20,477,996
LP 6	2023-24	\$23,485,614	\$838,665	\$0	\$162,413	-\$5,023,855	\$939,425	\$0	\$0	\$77,500	\$20,479,762
LP 7	2024-25	\$23,346,358	\$838,665	\$0	\$168,718	-\$4,883,203	\$933,854	\$0	\$0	\$77,500	\$20,481,892
LP 8	2025-26	\$23,215,458	\$838,665	\$0	\$174,260	-\$4,750,948	\$928,618	\$0	\$0	\$77,500	\$20,483,553
LP 9	2026-27	\$23,092,411	\$838,665	\$0	\$179,470	-\$4,626,589	\$923,696	\$0	\$0	\$77,500	\$20,485,153
LP 10	2027-28	\$22,976,747	\$838,665	\$0	\$184,367	-\$4,509,657	\$919,070	\$0	\$0	\$77,500	\$20,486,691
VP 1	2028-29	\$22,868,023	\$838,665	\$0	\$188,971	-\$4,399,710	\$914,721	\$0	\$0	\$77,500	\$20,488,169
VP 2	2029-30	\$22,765,823	\$838,665	\$0	\$193,298	-\$4,296,332	\$910,633	\$0	\$0	\$77,500	\$20,489,586
VP 3	2030-31	\$22,669,754	\$838,665	\$0	\$197,366	-\$4,199,132	\$906,790	\$0	\$0	\$77,500	\$20,490,943
VP 4	2031-32	\$22,579,450	\$838,665	\$0	\$201,189	-\$4,107,741	\$903,178	\$0	\$0	\$77,500	\$20,492,240
VP 5	2032-33	\$22,494,563	\$838,665	\$0	\$204,783	-\$4,021,814	\$899,783	\$0	\$0	\$77,500	\$20,493,480

Table 3 - "Value Limitation Revenue Model" - Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Tier II	Recapture at the \$514,000 Level	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
QTP 1	2016-17	\$20,772,308	\$1,199,143	\$8,923,293	\$31,494	-\$6,188,447	\$830,892	\$0	\$0	\$68,228	\$25,636,911
QTP 2	2017-18	\$20,860,035	\$838,875	\$0	\$279,589	-\$2,303,580	\$834,401	\$0	\$0	\$68,193	\$20,577,514
LP 1	2018-19	\$21,464,680	\$838,875	\$0	\$282,930	-\$2,449,748	\$858,587	\$0	\$0	\$67,802	\$21,063,127
LP 2	2019-20	\$21,464,680	\$838,875	\$0	\$250,504	-\$2,960,370	\$858,587	\$0	\$0	\$67,811	\$20,520,088
LP 3	2020-21	\$21,464,680	\$838,875	\$0	\$250,504	-\$2,960,370	\$858,587	\$0	\$0	\$67,820	\$20,520,096
LP 4	2021-22	\$21,464,680	\$838,665	\$0	\$250,403	-\$2,961,970	\$858,587	\$0	\$0	\$77,500	\$20,527,866
LP 5	2022-23	\$21,464,680	\$838,665	\$0	\$250,403	-\$2,961,970	\$858,587	\$0	\$0	\$77,500	\$20,527,866
LP 6	2023-24	\$21,464,680	\$838,665	\$0	\$250,403	-\$2,961,970	\$858,587	\$0	\$0	\$77,500	\$20,527,866
LP 7	2024-25	\$21,464,680	\$838,665	\$0	\$250,403	-\$2,961,970	\$858,587	\$0	\$0	\$77,500	\$20,527,866
LP 8	2025-26	\$21,464,680	\$838,665	\$0	\$250,403	-\$2,961,970	\$858,587	\$0	\$0	\$77,500	\$20,527,866
LP 9	2026-27	\$21,464,680	\$838,665	\$0	\$250,403	-\$2,961,970	\$858,587	\$0	\$0	\$77,500	\$20,527,866
LP 10	2027-28	\$21,464,680	\$838,665	\$0	\$250,403	-\$2,961,970	\$858,587	\$0	\$0	\$77,500	\$20,527,866
VP 1	2028-29	\$22,868,023	\$838,665	\$0	\$266,679	-\$3,163,600	\$914,721	\$0	\$0	\$77,500	\$21,801,987
VP 2	2029-30	\$22,765,823	\$838,665	\$0	\$193,298	-\$4,296,332	\$910,633	\$0	\$0	\$77,500	\$20,489,586
VP 3	2030-31	\$22,669,754	\$838,665	\$0	\$197,366	-\$4,199,132	\$906,790	\$0	\$0	\$77,500	\$20,490,943
VP 4	2031-32	\$22,579,450	\$838,665	\$0	\$201,189	-\$4,107,741	\$903,178	\$0	\$0	\$77,500	\$20,492,240
VP 5	2032-33	\$22,494,563	\$838,665	\$0	\$204,783	-\$4,021,814	\$899,783	\$0	\$0	\$77,500	\$20,493,480

Table 4 - "Baseline Revenue Model" Less "Value Limitation Model"

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Tier II	Recapture at the \$514,000 Level	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
QTP 1	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP 2	2017-18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LP 1	2018-19	-\$2,862,449	\$0	\$0	-\$37,083	\$339,995	-\$114,498	\$0	\$0	\$1,139	-\$2,672,895
LP 2	2019-20	-\$2,672,702	\$0	\$0	\$115,518	\$2,719,594	-\$106,908	\$0	\$0	\$1,064	\$56,566
LP 3	2020-21	-\$2,494,340	\$0	\$0	\$107,985	\$2,539,704	-\$99,774	\$0	\$0	\$993	\$54,568
LP 4	2021-22	-\$2,326,679	\$0	\$0	\$100,903	\$2,370,534	-\$93,067	\$0	\$0	\$0	\$51,691
LP 5	2022-23	-\$2,169,078	\$0	\$0	\$94,247	\$2,211,464	-\$86,763	\$0	\$0	\$0	\$49,869
LP 6	2023-24	-\$2,020,934	\$0	\$0	\$87,990	\$2,061,885	-\$80,837	\$0	\$0	\$0	\$48,104
LP 7	2024-25	-\$1,881,678	\$0	\$0	\$81,685	\$1,921,233	-\$75,267	\$0	\$0	\$0	\$45,974
LP 8	2025-26	-\$1,750,777	\$0	\$0	\$76,143	\$1,788,978	-\$70,031	\$0	\$0	\$0	\$44,313
LP 9	2026-27	-\$1,627,730	\$0	\$0	\$70,933	\$1,664,619	-\$65,109	\$0	\$0	\$0	\$42,713
LP 10	2027-28	-\$1,512,067	\$0	\$0	\$66,036	\$1,547,688	-\$60,483	\$0	\$0	\$0	\$41,174
VP 1	2028-29	\$0	\$0	\$0	\$77,708	\$1,236,110	\$0	\$0	\$0	\$0	\$1,313,818
VP 2	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP 3	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP 4	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP 5	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5: Estimated Financial Impact of the Dermott Wind, LLC #1128 Property Value Limitation Request Submitted to Snyder ISD at \$1.04 M&O Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP 1	2016-17	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0
QTP 2	2017-18	\$464,216	\$464,216	\$0	\$1.040	\$4,828	\$4,828	\$0	\$0	\$0
LP 1	2018-19	\$316,244,863	\$30,000,000	\$286,244,863	\$1.040	\$3,288,947	\$312,000	\$2,976,947	-\$2,672,895	\$304,052
LP 2	2019-20	\$297,270,172	\$30,000,000	\$267,270,172	\$1.040	\$3,091,610	\$312,000	\$2,779,610	\$0	\$2,779,610
LP 3	2020-21	\$279,433,961	\$30,000,000	\$249,433,961	\$1.040	\$2,906,113	\$312,000	\$2,594,113	\$0	\$2,594,113
LP 4	2021-22	\$262,667,924	\$30,000,000	\$232,667,924	\$1.040	\$2,731,746	\$312,000	\$2,419,746	\$0	\$2,419,746
LP 5	2022-23	\$246,907,848	\$30,000,000	\$216,907,848	\$1.040	\$2,567,842	\$312,000	\$2,255,842	\$0	\$2,255,842
LP 6	2023-24	\$232,093,377	\$30,000,000	\$202,093,377	\$1.040	\$2,413,771	\$312,000	\$2,101,771	\$0	\$2,101,771
LP 7	2024-25	\$218,167,775	\$30,000,000	\$188,167,775	\$1.040	\$2,268,945	\$312,000	\$1,956,945	\$0	\$1,956,945
LP 8	2025-26	\$205,077,708	\$30,000,000	\$175,077,708	\$1.040	\$2,132,808	\$312,000	\$1,820,808	\$0	\$1,820,808
LP 9	2026-27	\$192,773,046	\$30,000,000	\$162,773,046	\$1.040	\$2,004,840	\$312,000	\$1,692,840	\$0	\$1,692,840
LP 10	2027-28	\$181,206,663	\$30,000,000	\$151,206,663	\$1.040	\$1,884,549	\$312,000	\$1,572,549	\$0	\$1,572,549
VP 1	2028-29	\$170,334,263	\$170,334,263	\$0	\$1.040	\$1,771,476	\$1,771,476	\$0	\$0	\$0
VP 2	2029-30	\$160,114,207	\$160,114,207	\$0	\$1.040	\$1,665,188	\$1,665,188	\$0	\$0	\$0
VP 3	2030-31	\$150,507,355	\$150,507,355	\$0	\$1.040	\$1,565,276	\$1,565,276	\$0	\$0	\$0
VP 4	2031-32	\$141,476,914	\$141,476,914	\$0	\$1.040	\$1,471,360	\$1,471,360	\$0	\$0	\$0
VP 5	2032-33	\$132,988,299	\$132,988,299	\$0	\$1.040	\$1,383,078	\$1,383,078	\$0	\$0	\$0
						\$33,152,377	\$10,981,207	\$22,171,171	-\$2,672,895	\$19,498,276

QTP = Qualifying Time Period
 LP = Limitation Period
 VP = Continue to Maintain Viable Presence

***Note: School District Revenue-Loss estimates are subject to change based on various factors, including Legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates and enrollment. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.**

Findings and Order of the Snyder Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC (Tax ID 32056768115) (Application # 1128)

ATTACHMENT F
Comptroller's 2015 ISD Summary Worksheet
For Snyder Independent School District

Findings and Order of the Snyder Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC (Tax ID 32056768115) (Application # 1128)

ATTACHMENT F
Comptroller's 2015 ISD Summary
Worksheet For Snyder Independent School
District



Glenn Hegar

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2015 ISD Summary Worksheet

132/Kent

208-902/Snyder ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	1,110,370	N/A	1,110,370	1,110,370
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	6,059,340	N/A	6,059,340	6,059,340
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	1,484,100	N/A	1,484,100	1,484,100
D2. Real Prop Farm & Ranch	9,120	N/A	9,120	9,120
E. Real Prop NonQual Acres	7,046,510	N/A	7,046,510	7,046,510
F1. Commercial Real	520	N/A	520	520
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	27,863,840	N/A	27,863,840	27,863,840
J. Utilities	749,400	N/A	749,400	749,400
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	140,030	N/A	140,030	140,030
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	44,463,230		44,463,230	44,463,230

Less Total Deductions	859,283		859,283	859,283
Total Taxable Value	43,603,947		43,603,947	43,603,947 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
43,721,027	43,603,947	43,721,027	43,603,947

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
117,080	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
43,721,027	43,603,947	43,721,027	43,603,947

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

208/Scurry

208-902/Snyder ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	420,860,860	N/A	420,860,860	420,860,860

B. Multi-Family Residences	13,250,691	N/A	13,250,691	13,250,691
C1. Vacant Lots	8,207,964	N/A	8,207,964	8,207,964
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	24,685,499	N/A	24,685,499	24,685,499
D2. Real Prop Farm & Ranch	10,930,699	N/A	10,930,699	10,930,699
E. Real Prop NonQual Acres	73,063,441	N/A	73,063,441	73,063,441
F1. Commercial Real	108,616,165	N/A	108,616,165	108,616,165
F2. Industrial Real	297,559,193	N/A	297,559,193	297,559,193
G. Oil, Gas, Minerals	1,123,443,662	N/A	1,123,443,662	1,123,443,662
J. Utilities	162,559,513	N/A	162,559,513	162,559,513
L1. Commercial Personal	52,242,517	N/A	52,242,517	52,242,517
L2. Industrial Personal	545,162,320	N/A	545,162,320	545,162,320
M. Other Personal	9,712,414	N/A	9,712,414	9,712,414
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	165,632	N/A	165,632	165,632
S. Special Inventory	4,954,684	N/A	4,954,684	4,954,684
Subtotal	2,855,415,254		2,855,415,254	2,855,415,254
Less Total Deductions	227,558,146		227,558,146	227,558,146
Total Taxable Value	2,627,857,108		2,627,857,108	2,627,857,108 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
2,657,341,332	2,627,857,108	2,657,341,332	2,627,857,108

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
29,484,224	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
2,709,288,102	2,679,803,878	2,709,288,102	2,679,803,878

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

208-902/Snyder ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	421,971,230	N/A	421,971,230	421,971,230
B. Multi-Family Residences	13,250,691	N/A	13,250,691	13,250,691
C1. Vacant Lots	14,267,304	N/A	14,267,304	14,267,304
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	26,169,599	N/A	26,169,599	26,169,599
D2. Real Prop Farm & Ranch	10,939,819	N/A	10,939,819	10,939,819
E. Real Prop NonQual Acres	80,109,951	N/A	80,109,951	80,109,951
F1. Commercial Real	108,616,685	N/A	108,616,685	108,616,685
F2. Industrial Real	297,559,193	N/A	297,559,193	297,559,193
G. Oil, Gas, Minerals	1,151,307,502	N/A	1,151,307,502	1,151,307,502
J. Utilities	163,308,913	N/A	163,308,913	163,308,913
L1. Commercial Personal	52,242,517	N/A	52,242,517	52,242,517
L2. Industrial Personal	545,162,320	N/A	545,162,320	545,162,320
M. Other Personal	9,852,444	N/A	9,852,444	9,852,444

N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	165,632	N/A	165,632	165,632
S. Special Inventory	4,954,684	N/A	4,954,684	4,954,684
Subtotal	2,899,878,484		2,899,878,484	2,899,878,484
Less Total Deductions	228,417,429		228,417,429	228,417,429
Total Taxable Value	2,671,461,055		2,671,461,055	2,671,461,055 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

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Findings and Order of the Snyder Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC
(Tax ID 32056768115) (Application # 1128)

ATTACHMENT G
Proposed Agreement Between
Snyder Independent School District
and
Dermott Wind, LLC

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

by and between

SNYDER INDEPENDENT SCHOOL DISTRICT

and

DERMOTT WIND, LLC

(Texas Taxpayer ID #32056768115)

Comptroller Application #1128

Dated

August 25, 2016

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on July 15, 2016, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on August 25, 2016, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on August 25, 2016, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on August 25, 2016, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on August 19, 2016, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on August 25, 2016, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and,

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. DEFINITIONS.

Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMINISTRATIVE CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMINISTRATIVE CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means Dermott Wind, LLC, (*Texas Taxpayer ID #32056768115*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on March 10, 2016. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Scurry County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Snyder Independent School District.

“Commercial Operations” shall mean the date on which the Project described in the Application for Value Limitation Agreement becomes commercially operational and placed into service, such that it has been constructed, tested, and is fully capable of commercial generation and transmission of at least 150 MW of electricity and achieving a Qualifying Investment of \$30 million dollars.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMINISTRATIVE CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Scurry County, Texas.

“District” or “School District” means the Snyder Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within 30 (thirty) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs

and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMINISTRATIVE CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules, as these provisions existed on the Application Review Start Date.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

Section 1.2. NEGOTIATED DEFINITIONS.

Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller’s Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C:

“Applicable School Finance Law” means the state laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools generally and the District specifically at the time the computation, calculation or obligation of either party under this Agreement is performed.

“Cumulative Payments” means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant to compensate District for loss of revenue under this Agreement.

“Cumulative Net Tax Benefit” means for each Tax Year of this Agreement, the Net Tax Benefit for the applicable Tax Year added to the Net Tax Benefit from all previous Tax Years of this Agreement.

“Lost M&O Revenue” means the reduction in Maintenance and Operations ad valorem tax revenue to the District resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date of this Agreement, as calculated according to the method described in Section 4.2 of this Agreement.

“New M&O Revenue” means the total State and local Maintenance and Operations revenue that the District received or accrued, after all adjustments have been made to such Maintenance and Operations revenue because of any portion of this Agreement in accordance with the provisions of the Applicable School Finance Law for such school year.

“Net Tax Benefit” means, with respect of a particular Tax Year, an amount equal to (but not less than zero): (i) the amount of Maintenance and Operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year during the term of this Agreement if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity,

including the State of Texas, for such Tax Year during the term of this Agreement, plus (B) any and all payments due to the District under Articles IV, V, and VI of this Agreement for such Tax Year.

“*Original M&O Revenue*” means the total State and local Maintenance and Operations revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property had been subject to the full ad valorem Maintenance and Operations tax without any limitation on value. Calculations of Original M&O Revenue will be based on actual local Taxable Values for each applicable Tax Year as certified by the Appraisal District.

“*Third Party*” has the meaning given to it in Section 4.4 of this Agreement.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY.

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE.

In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

- A. The Application Review Start Date for this Agreement is May 10, 2016, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.
- B. The Application Approval Date for this Agreement is August 25, 2016.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on the Application Approval Date; and
 - ii. Ends on December 31, 2018 the last day of the second complete Tax Year following the Qualifying Time Period start date.
- D. The Tax Limitation Period for this Agreement:
 - i. Starts on January 1, 2018, the first complete Tax Year that begins after the date of

- commencement of Commercial Operation; and
 - ii. Ends on December 31, 2027; which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.
- E. The Final Termination Date for this Agreement is December 31, 2032, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.
- F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION.

So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. The Market Value of the Applicant's Qualified Property; or,
- B. Thirty Million Dollars (\$30,000,000.00)

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY.

In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. Have completed the Applicant's Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00) during the Qualifying Time Period;
- B. Have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and maintain New Qualifying Jobs as specified in, and for the time period specified on, Schedule C of the Application; and
- C. Pay an average weekly wage of at least \$1,045 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS.

In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. Provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. Provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. Provide such Supplemental Payments as more fully specified in Article VI;
- D. Create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

**ARTICLE III
QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.

The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part

of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.

In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE.

The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as a renewable energy electric generation facility.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

Subject to the limitations contained in this Agreement (including Section 7.1), and in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, it is the intent of the Parties that the District shall be compensated by the Applicant as provided in this Article IV for any loss that District incurs in its Maintenance and Operations revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the risk of any and all negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District.

The calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time for the first complete Tax Year following the start of Commercial Operations, and every year thereafter during the term of this Agreement.

Within 60 days from the date Commercial Operations begin, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a verified written report, giving a specific and detailed description of the Land and the Qualified Property to which the value limitation applies (including tangible personal property, buildings, or permanent, nonremovable building components, and further including any property affixed to or incorporated into real property) including maps or surveys of sufficient detail and description to locate all such Qualified Property within the boundaries of the Land which is subject to the Agreement, if such final description is different than the description provided in the application or any supplemental application information, or if no substantial changes have been made, a verification of the fact that no substantial changes have been made. If additional Qualified Property is added to the Land after the Applicant provides the report required by this paragraph but before the expiration of the Qualifying Time Period, then Applicant shall, within 60 days after the end of the Qualifying Time Period, provide an updated report under this paragraph.

The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are:

- i. For illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement;
- ii. Are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and,
- iii. May change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2 CALCULATING LOST M&O REVENUE.

The amount to be paid by the Applicant to compensate the District for Lost M&O Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula: The Lost M&O Revenue owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue. In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.

- iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full MAINTENANCE AND OPERATION Revenue impact caused by this Agreement.

Section 4.3. CUMULATIVE PAYMENT LIMITATION.

In no event shall the Cumulative Payments made by Applicant during any year of the Tax Limitation Period exceed an amount equal to One Hundred Percent (100%) of Applicant's Cumulative Net Tax Benefit for that tax year. For each year of this Agreement, amounts due and owing by Applicant to the District which, by virtue of the application of this Cumulative Payment limitation set forth in this Section 4.3 are not payable to the District for that given year, such sums shall be carried forward to and paid to the District in future years, but shall be subject, in each subsequent year, to the limit set forth in this Section.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected each year by the District subject to Applicant's reasonable approval. All calculations made by the Third Party under this Agreement shall be made by using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- A. All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District as described in Article V of this Agreement.
- B. Any other out-of-pocket costs paid by the District, as presented to Applicant with reasonable evidence of the nature of the cost and the payment of the cost by the District, including costs under Subsection 8.6(C), below, which are or may be attributable to compliance with State-imposed costs of compliance with the terms of this Agreement.

Section 4.5. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified Investment

and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.6. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Investment at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Investment by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.7. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2 and/or 4.3, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall

not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.8. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE.

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District as a result of its participation in this Agreement. Such calculation shall be made by the Third Party using a methodology which isolates only the revenue impact caused by this Agreement and shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Section 4, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 9.5.

Section 4.9. PAYMENT BY APPLICANT.

The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.4, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. All expenses for which District seeks reimbursement from Applicant must be presented to Applicant with reasonable evidence of the nature of the expense and the payment of the expense by the District.

Section 4.10. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to Article 4 of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30)

days of receipt of the calculation. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the calculations.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES.

In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for the following:

All non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

In interpreting the provisions of Article IV and VI, the Parties agree as follows:

A. Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article IV and Article V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under Article VI of this agreement are separate and independent of the obligation of the Applicant to pay the amounts described in Article IV and Article V;

provided, however, that all payments under Articles IV and VI are subject to such limitations as are contained in Section 7.1, and that all payments under Article VI are subject to the separate limitations contained in Section 6.4.

- B. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article VI, shall not exceed the limit imposed by the provisions of TEXAS TAX CODE 313.027(i) unless that limit is increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.
- C. Supplemental payments as provided under Section 6.2 shall be made during each year of this Agreement, starting the first year of the Qualifying Time Period and ending on December 31 of the third year following the end of the Tax Limitation Period.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

- A. The total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;
- B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period:
- C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.
- D. For purposes of this Agreement, the amount of the annual Supplemental Payment shall be \$267,200 based upon the District’s 2015-2016 Average Daily Attendance of 2,672 rounded to the nearest whole number, unless a larger amount is subsequently authorized by law.

Section 6.3. SUPPLEMENTAL PAYMENT CHANGES. In the event Chapter 313 is modified or amended to allow the District to receive supplemental payments in excess of the limitation described in Section 6.2, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of supplemental payments as allowed by law; provided however, the total supplemental payments for any given year of this Agreement shall not exceed forty percent (40%) of

Applicant's Net Tax Benefit under this Agreement in such year. This Section 6.3 shall only apply if Chapter 313 of the TEXAS TAX CODE is amended so that the District is permitted to receive Supplemental Payments greater than as described in Section 6.2 above; otherwise, Section 6.2 shall apply.

Section 6.4. PAYMENT BY APPLICANT. Payment of amounts due under this Article shall be made as set forth in Section 4.9 of this Agreement and is subject to the limitations contained in Section 7.1.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION.

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT.

In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION.

Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

- A. The Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and
- B. The provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT’S OBLIGATION TO MAINTAIN VIABLE PRESENCE.

In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS.

In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMINISTRATIVE CODE Section 9.1052 and as currently located on the Comptroller’s website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller’s website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER’S REPORT ON CHAPTER 313 AGREEMENTS.

During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller’s report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS.

Upon the written request of the District, the State Auditor’s Office, the Appraisal District, or

the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW.

The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

- A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.
- B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

- A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:
 - i. date of submission of the final payment;

- ii. Final Termination Date; or
 - iii. date of resolution of all disputes or payment.
- B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.
- C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.
- D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

- A. Represents and warrants that all information, facts, and representations contained in the

Application are true and correct to the best of its knowledge;

- B. Agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and
- C. Acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

- A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;
- B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;
- C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;
- D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;
- E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;
- F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;
- G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

- H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;
- I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;
- J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;
- K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;
- L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;
- M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;
- N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement; or,
- O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

- A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.
- B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees.

At the hearing, the Board of Trustees shall make findings as to:

- i. Whether or not a breach of this Agreement has occurred;
- ii. Whether or not such breach is a Material Breach;
- iii. The date such breach occurred, if any;
- iv. Whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. The amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. The amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. In the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Scurry County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Scurry County, Texas, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any

contract, agreement or undertaking made by a Party pursuant to this Agreement.

- C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

- A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.
- B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.
- C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.
- D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant

to Section 9.4.C, terminate this Agreement.

- E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES.

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make Thirty Million Dollars (\$30,000,000.00) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS.

- A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as

defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

- B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.
- C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.
- D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

- A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if:
 - i. Delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or
 - ii. Sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.
- B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

To the District

With Copy to

Name:	Snyder ISD	Powell & Leon. LLP
Attn:	Superintendent Jim Kirkland, Or his successor	Sara Hardner Leon
Address:	2901 37 th Street	115 Wild Basin Road #106
City/Zip:	Snyder, Texas 79549	West Lake Hills TX 78746
Phone :	325-574-8900	Phone : (512) 494-1177
Fax :	325- 573-9025	Fax : (512) 494-1188
Email:	jkirkland@snyderisd.net	sleon@powell-leon.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

To the Applicant

With Copy to

Name:	Dermot Wind LLC	Philip Moore
Attn:	Pete Harsy, General Counsel Lincoln Clean Energy, LLC	Vice President, Development Lincoln Clean Energy, LLC
Address:	401 N. Michigan Ave., Ste. 501	401 N. Michigan Ave., Ste. 501
City/Zip:	Chicago, IL 60611	Chicago, IL 60611
Phone :	(312) 237-4700	Phone : (512) 767.7461
Fax :		Fax :
Email:	pharsy@lincolnclean.com	pmoore@lincolnclean.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

With a copy to:

Any lender for which the Applicant has provided the District notice information pursuant to Section 10.3.C below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

- B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:
- i. The Applicant shall submit to the District and the Comptroller:
 - a. A written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. Any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller; and,
 - c. Any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
 - ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and,
 - iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.
- C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:
- i. Require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
 - ii. Clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and
- D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.
- E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

- A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights,

benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

- B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.
- C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER.

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. GOVERNING LAW.

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Scurry County, Texas.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT.

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY.

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained

herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term “Law” shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES.

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

- A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- B. The words “include,” “includes,” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase, “but not limited to”. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.
- C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:
 - i. The Act;
 - ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
 - iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. EXECUTION OF COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS.

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

- A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
- B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.

The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE.

If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICT OF INTEREST.

- A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special

discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

- B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.
- C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.

Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. All payments, including liquidated damage and tax payments, have been made;
- B. All reports have been submitted;
- C. All records have been maintained in accordance with Section 8.6.A; and,
- D. All disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

- A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.
- B. Delivery is deemed complete as follows:
 - i. When delivered if delivered personally or sent by express courier service;
 - ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
 - iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
 - iv. When the recipient, by an e-mail sent to the e-mail address for the executing

Parties acknowledges having received that e-mail (an automatic “read receipt” does not constitute acknowledgment of an e-mail for delivery purposes).

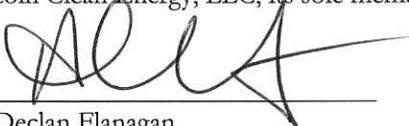
IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 25th day of August, 2016.

DERMOTT WIND, LLC

By: Dermott Wind Class B Member, LLC, its managing member

By: Dermott Wind Class B Holdco, LLC, its sole member

By: Lincoln Clean Energy, LLC, its sole member

By: 
Name: Declan Flanagan
Its: Chief Executive Officer

SNYDER INDEPENDENT SCHOOL DISTRICT

By: 
RALPH RAMON
President, Board of Trustees

ATTEST:

By: 
DOUG NEFF
Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The reinvestment zone was created and is in effect at the time of the approval of this Application. The *Dermott Wind Reinvestment Zone No. 1* was created on March 1, 2016, by action of the Scurry County Commissioner's Court. As a result, all of the following real property is within the boundaries of the *Dermott Wind Reinvestment Zone No. 1*. A map of the reinvestment zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone.

PUBLIC NOTICE

Notice is hereby given that the Scurry County Commissioner's Court will hold a Public Hearing on the 1st day of March, 2016, at 10:00 a.m. in the County Courtroom located on the 3rd floor of the Scurry County Courthouse to consider designating a reinvestment zone as that term is defined in Section 312.401 of the Texas Tax Code for the purpose of considering tax abatement for the following described property located in Scurry County, Texas:

Legal description of reinvestment zone

The legal description of the land in the Reinvestment Zone

DERMOTT WIND PROJECT – REINVESTMENT ZONE

LEGAL DESCRIPTION: BEING APPROXIMATELY 71,834 ACRES OF LAND AND BEING ALL OF AND ANY PORTIONS OF SECTIONS: 381, A-2415, 382, A-1727, A-2724, 383, A-2683, A-2680, A-2674, A-2090, 384, A-1762, 385, A-2628, A-2390, A-2207, A-2520, A-2454, 387, A-1953, A-2960, 388, A-1676, 389, A-2080, A-2829, A-1952, 390, A-1855, A-3002, 392, A-2672, A-1512, 393, A-1936, 394, A-2673, A-1765, A-2682, A-2904, 395, A-2803, A-1910, A-2316, 396, A-2868, A-1822, 436, A-626, 437, A-2123, A-2585, A-2180, A-3024, A-3018, 438, A-1694, 439, A-2089, A-2703, A-2704, 440, A-1532, 441, A-1911, 442, A-548, 443, A-1964, A-2269, A-1919, A-2268, 444, A-518, 445, A-2841, A-2857, 446, A-1710, A-2888, 447, A-2426, 448, A-1693, A-2668, 449, A-2067, 450, A-1531, 451, A-2423, A-2634, 452, A-1808, 453, A-2929, A-2083, A-2424, 489, A-2144, 490, A-2840, A-1945, A-2773, A-2653, 491, A-2082, A-2095, A-2834, 492, A-1809, 493, A-2505, A-2549, A-2146, A-2907, A-2908, 494, A-2713, A-1800, 495, A-2545, 496, A-1799, 497, A-2051, 498, A-1937, 499, A-2031, A-2113, A-1981, A-2202, 500, A-1781, 501, A-2052, 502, A-2492, 503, A-2291, 504, A-2130, 505, A-2124, 506, A-2835, A-1563, 507, A-2716, A-2706, A-2442, 508, A-2441, 509, A-2566, A-2883, A-2791, 510, A-2395, 541, A-2465, 542, A-1642, 543, A-2396, 544, A-1640, 545, A-2565, 546, A-1807, 547, A-2163, A-2967, 548, A-2134, 549, A-2129, 550, A-2292, 551, A-2053, 552, A-1938, 563, A-2054, 564, A-2241, 565, A-2677, A-2783, A-2654, A-2290, 566, A-1798, 567, A-2325, A-2769, A-2324, A-2402, 568, A-2383, A-2879, 569, A-404, 570, A-1641, 573, A-406, 574, A-1643, 607, A-415, 608, A-2387, 609, A-416, 610, A-1804, 611, A-417, 612, A-2022, 613, A-418, 614, A-2271, 652, A-2273, 653, A-683, 654, A-1802, 655, A-692, 656, A-1803, BLOCK 97, H & TC RR. COMPANY SURVEY, SECTION 29, A-513, JK SMITH SURVEY, SECTION 1, A-2659, IA WALKER SURVEY, SECTIONS 24, A-479, 25, A-48 JP SMITH SURVEY, SECTIONS 225, A-123, 227, A-124, 228, A-560, 229, A-125, 230, A-1677, 231, A-346, 232, A-1678, 233, A-347, 234, A-1679, 235, A-348, 236, A-545, 237, A-349, 238, A-1499, 260, A-2373, 261, A-360, 262, A-2034, 263, A-361, 264, A-2867, 164, A-1782, 265, A-362, 266, A-2036, A-2033, 267, A-363, 268, A-1488, A-1783, 269, A-364, 270, A-2102, BLOCK 2, H&TC RR COMPANY SURVEY, SECTION 1, A-2845, A-2542 J.A. KUYKENDALL SURVEY AND SECTION 2, A-2846, M.A. FULLER SURVEY LYING IN AND BEING SITUATED OUT OF SCURRY COUNTY, TEXAS: SAID 71834 ACRE TRACT BEING GENERALLY DESCRIBED AS FOLLOWS:

BEGINNING at a point at or near the intersection of the approximate east right of way line of F.M. Highway 1142 and the common line of Section 699 of said Block 97 and said Section 656 for the most northerly northwest corner hereof and having an approximate Latitude and Longitude of N 32.95887° and W 100.97363°;

THENCE South 87°33'53" East an approximate distance of 26756.30 feet along the north line of said Sections 656, 655, 654, 653 and 652 to a point at or near the common corner of Section 703, A-699, Section 704, A-2240, Section 651, A-685 all in said Block 97 and said Section 652 for the most northerly northeast corner hereof and having an approximate Latitude and Longitude of N 32.95744°, W 100.88641°;

THENCE South 02°40'48" West an approximate distance of 26521.18 feet along the east line of said Sections 652, 614, 563, 552 and 501 to a point at or near the common corner of said Sections 500, 499, 498 and 501 for a corner hereof and having an approximate Latitude and Longitude of N 32.88457°, W 100.88849°;

THENCE South $87^{\circ}14'27''$ East an approximate distance of 2644.66 feet along the south line of said Section 500 to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.88438° , W 100.87987° ;

THENCE crossing said Section 500 the following 2 courses:

1. North $02^{\circ}14'09''$ East an approximate distance of 684.98 feet to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.88626° , W 100.87984° ;
2. South $87^{\circ}36'02''$ East an approximate distance of 2704.64 feet to a point in the common line of said Section 500 and said Section 445 for a corner hereof and having an approximate Latitude and Longitude of N 32.88612° , W 100.87103° ;

THENCE North $02^{\circ}34'15''$ East an approximate distance of 4615.14 feet along the common line of said Section 500 and said Section 445 to a point at or near the common corner of Section 553, A-1935 of said Block 97, Section 554, A-1939 of said Block 97, said Section 445 and said Section 500 for a corner hereof and having an approximate Latitude and Longitude of N 32.89880° , W 100.87069° ;

THENCE South $86^{\circ}51'11''$ East an approximate distance of 4300.54 feet along the north line of said Section 445 to a point at or near the common corner of said Section 1 and said Section 445 for an angle point hereof and having an approximate Latitude and Longitude of N 32.89842° , W 100.85669° ;

THENCE South $86^{\circ}48'08''$ East an approximate distance of 6302.53 feet along the north line of said Section 1 to a point in the west line of Section 556, A-2098 of said Block 97 at or near the common corner of Section 555, A-2190 of said Block 97 and said Section 1 for a corner hereof and having an approximate Latitude and Longitude of N 32.89784° , W 100.83616° ;

THENCE South $02^{\circ}41'27''$ West an approximate distance of 905.64 feet along the common line of said Section 556 and said Section 1 to a point at or near the common corner of said Section 1 and said Section 2 for an angle point hereof and having an approximate Latitude and Longitude of N 32.89535° , W 100.83624° ;

THENCE South $13^{\circ}31'00''$ West an approximate distance of 1043.73 feet along the common line of Section 2, A-2644 of said M.A. Fuller Survey and said Section 2, A-2846, to a point at or near the common corner of said Section 2, said Section 270 and said Section 269 for a corner hereof and having an approximate Latitude and Longitude of N 32.89255° , W 100.83696° ;

THENCE South $12^{\circ}11'25''$ East an approximate distance of 2688.60 feet along the common line of said Section 270 and said Section 269 to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.88536° , W 100.83492° ;

THENCE North $76^{\circ}53'19''$ East an approximate distance of 3319.53 feet along the south line of said Section 270, A-2372 and the north line of said Section 270, A-2102 to a point at or near the common corner of said Section 270, A-2569 and said Section 270, A-2102 for a corner hereof and having an approximate Latitude and Longitude of N 32.88763° , W 100.82444° ;

THENCE South $13^{\circ}03'38''$ East an approximate distance of 2611.45 feet along the common line of said Section 270, A-2569 and said Section 270, A-2102 to a point in the north line of said Section 263 for a corner hereof and having an approximate Latitude and Longitude of N 32.88067 , W 100.82234° ;

THENCE North $76^{\circ}54'56''$ East an approximate distance of 1980.83 feet along the common line of said Section 270 and said Section 263 to a point at or near the common corner of Section 271, A-365 of said Block 97, said Section 260, said Section 263 and said Section 270 for an angle point hereof and having an approximate Latitude and Longitude of N 32.88202° , W 100.81609° ;

THENCE North $77^{\circ}49'35''$ East an approximate distance of 5314.85 feet along the common line of said Section 271 and said Section 260 to a point at or near the common corner of said Section 271, Section 272, A-366 of said Block 2, Section 259, A-359 of said Block 2 and said Section

260 for a northeast corner hereof and having an approximate Latitude and Longitude of N 32.88542°, W 100.79925°;

THENCE South 12°44'49" East an approximate distance of 21223.60 feet along the east line of said Sections 260, 261, 238 and 227 to a point at or near the common corner of Section 226, A-2032 of said Block 2, said Section 225, said Section 227 and said Section 228 for a corner hereof and having an approximate Latitude and Longitude of N 32.82881°, W 100.78253°;

THENCE North 77°08'26" East an approximate distance of 5201.37 feet along the north line of said Section 225 to a point at or near the common corner of said Section 226, Section 223, A-122 of said Block 2, Section 224, A-2397 and said Section 225 for a corner hereof and having an approximate Latitude and Longitude of N 32.83229°, W 100.76611°;

THENCE South 13°01'32" East an approximate distance of 5312.67 feet along the east line of said Section 225 to a point at or near the common corner of said Section 224, Section 153, A-143 of said Block 2, Section 152, A-1650 of said Block 2 and said Section 225 for the southwest corner hereof and having an approximate Latitude and Longitude of N 32.81814°, W 100.76185°;

THENCE South 76°42'55" West an approximate distance of 10440.23 feet along the south line of Sections 225 and 228 to a point at or near the common corner of Section 151, A-142 of said Block 2, Section 150, A-1835 of said Block 2, said Section 229 and said Section 228 for an angle point hereof and having an approximate Latitude and Longitude of N 32.81094°, W 100.79474°;

THENCE South 77°17'46" West an approximate distance of 5277.08 feet along the south line of said Section 232 to a point at or near the common corner of said Section 150, Section 149, A-141 of said Block 2, said Section 232 and said Section 229 for an angle point hereof and having an approximate Latitude and Longitude of N 32.80744°, W 100.81141°;

THENCE South 77°32'12" West an approximate distance of 5313.85 feet along the south line of said Section 232 to a point at or near the common corner of said Section 149, Section 148, A-1773 of said Block 2, Section 233 and said Section 232 for an angle point hereof and having an approximate Latitude and Longitude of N 32.80398°, W 100.82821°

THENCE South 77°25'14" West an approximate distance of 5308.66 feet along the south line of said Section 233 to a point in the east line of Section 59, A-30, Block 3, H.&G.N. Railroad Company Survey at or near the common corner of Section 148, A-1773 of said Block 2 and said Section 233 for a corner hereof and having an approximate Latitude and Longitude of N 32.80048°, W 100.84499°;

THENCE along the east, north and west lines of Said Section 59 the following 3 courses:

1. North 13°04'57" West an approximate distance of 2155.22 feet along the west line of said Section 233 to a point at or near the common corner of said Section 29 and said Section 59 for a corner hereof;
2. North 89°00'30" West an approximate distance of 809.52 feet along the south line of said Section 29 to a point for the common corner of said Section 25 and said Section 29 for a corner hereof;
3. South 01°42'19" West an approximate distance of 4888.23 feet along the east line of said Section 25 to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.79277°, W 100.84948°;

THENCE South 47°48'04" West an approximate distance of 571.76 feet crossing said Section 25 to a point in the south line of said Section 25 for a corner hereof and having an approximate Latitude and Longitude of N 32.79169, W 100.85083°;

THENCE North 88°15'44" West an approximate distance of 10121.97 feet along the south line of said Section 25 and said Section 24 to a point in the east line of N Ennis Creek Road for the most southerly southwest corner hereof and having an approximate Latitude and Longitude of N 32.79191°, W 100.88377°;

THENCE North 01°34'52" East an approximate distance of 2436.78 feet along the east line of said N Ennis Creed Road to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.79861°, W 100.88373°;

THENCE crossing said Section 24 the following 3 courses:

1. South 87°57'58" East an approximate distance of 310.69 feet to a point for an interior corner hereof;
2. North 01°45'49" East an approximate distance of 174.79 feet to a point for an interior corner hereof;
3. South 81°23'14" West an approximate distance of 316.56 feet to a point in the approximate east line of said N Ennis Creek Road for a corner hereof and having an approximate Latitude and Longitude of N 32.79893°, W 100.88373°;

THENCE North 01°31'33" East an approximate distance of 2638.62 feet along the approximate east line of said N Ennis Creek Road to a point in the south line of Section 26, A-481 of said J.P. Smith Survey for a corner hereof and having an approximate Latitude and Longitude of N 32.806.18° W 100.88370°;

THENCE South 88°48'50" East an approximate distance of 1602.05 feet along the common line of said Section 26 and said Section 24 to a point at or near the common corner of said Section 26 and said Section 1 for a corner hereof and having an approximate Latitude and Longitude of N 32.80619°, W 100.87848°;

THENCE North 01°13'40" East an approximate distance of 1861.98 feet along the common line of said Section 26 and said Section 1 to a point in the approximate south line of said N Ennis Creek Road for a corner hereof and having an approximate Latitude and Longitude of N 32.81131°, W 100.87849°;

THENCE North 81°34'25" West an approximate distance of 683.72 feet crossing said N Ennis Creek Road to a point of curvature of a curve to the left for a corner hereof and having an approximate Latitude and Longitude of N 32.81154°, W 100.88070°;

THENCE along a curve turning to the left with an arc length of 279.82 feet, with a radius of 783.13 feet, with a chord bearing of South 84°18'18" West, with a chord length of 278.33 feet to a point in the common line of said Section 387 and said Section 26 for a corner hereof and having an approximate Latitude and Longitude of N 32.81138°, W 100.88180°;

THENCE North 87°20'05" West a distance of 92.59 feet along said common line to a point at or near the southeast corner of the west half of said Section 387 for a corner hereof and having an approximate Latitude and Longitude of N 32.81145°, W 100.88190°;

THENCE North 02°45'05" East a distance of 5306.57 feet along the east line of the west half of said Section 387 to point at or near the northeast corner of the west half of said Section 387 in the south line of said Section 390 for a corner hereof and having an approximate Latitude and Longitude of N 32.82603°, W 100.88146°;

THENCE North 87°27'10" West a distance of 2661.20 feet along the common line of said Section 387 and said Section 390 to a point at or near the common corner of said Section 387, Sections 386 and 391 of said Block 97 and said Section 390 for a corner hereof and having an approximate Latitude and Longitude of N 32.82619°, W 100.89012°;

THENCE North 02°48'43" East a distance of 5357.60 feet along the common line of said Section 387 and said Section 390 to a point at or near the common corner of said Sections 391, 442, 443 and 390 for a corner hereof and having an approximate Latitude and Longitude of N 32.84091°, W 100.88966°;

THENCE North 86°55'21" West a distance of 5344.56 feet along the common line of said Sections 391 and 442 to a 4 inch pipe post fence corner at or near the common corner of said Sections 392, 441, 442 and 391 for a corner hereof and having an approximate Latitude and Longitude of N 32.84137°, W 100.90706°;

THENCE South $02^{\circ}45'12''$ West a distance of 10697.12 feet along the common lines of said Sections 392 and 391 and said Sections 385 and 386 to a point at or near the common corner of said Section 385 and 386 in the north line of said Section 26 for a corner hereof and having an approximate Latitude and Longitude of N 32.81197° , W 100.90793° ;

THENCE North $87^{\circ}18'42''$ West a distance of 5258.21 feet generally along the common line of said Sections 385 and 26 to a point for an angle point hereof;

THENCE North $87^{\circ}05'41''$ West an approximate distance of 4849.40 feet along the north line F.M. Highway 1611 in the south part of said Section 384 to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.81269° , W 100.94082° ;

THENCE crossing said Section 384 the following 6 courses:

1. North $01^{\circ}30'23''$ East an approximate distance of 215.92 feet to a point for an interior corner hereof;
2. North $88^{\circ}53'20''$ West an approximate distance of 208.08 feet to a point for an interior corner hereof;
3. South $01^{\circ}35'24''$ West an approximate distance of 210.48 feet to a point for an interior corner hereof;
4. North $87^{\circ}16'42''$ West an approximate distance of 53.24 feet to a point for an interior corner hereof;
5. North $40^{\circ}03'23''$ West an approximate distance of 53.84 feet to a point for an interior corner hereof;
6. North $87^{\circ}12'28''$ West an approximate distance of 246.52 feet to a point in the common line of said Section 383 and said Section 384 for a corner hereof and having an approximate Latitude and Longitude of N 32.81283° , W 100.94259° ;

THENCE North $02^{\circ}54'27''$ East an approximate distance of 173.32 feet along said common line to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.81331° W 100.94258° ;

THENCE crossing said Section 383 the following 6 courses:

1. North $87^{\circ}49'47''$ West an approximate distance of 502.46 feet to a point for a corner hereof;
2. South $02^{\circ}54'30''$ West an approximate distance of 173.32 feet to a point for a corner hereof;
3. North $87^{\circ}48'50''$ West an approximate distance of 82.61 feet to a point for a corner hereof;
4. South $54^{\circ}15'03''$ West an approximate distance of 56.27 feet to a point for a corner hereof;
5. North $87^{\circ}17'37''$ West an approximate distance of 59.09 feet to a point for a corner hereof;
6. South $02^{\circ}54'33''$ West an approximate distance of 25.26 feet to a point in the approximate north line of County Road 278 for a corner hereof and having an approximate Latitude and Longitude of N 32.81270° , W 100.94484° ;

THENCE North $87^{\circ}17'51''$ West an approximate distance of 198.28 feet along the approximate north line of said County Road 278 to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.81271° , W 100.94548° ;

THENCE crossing said Section 383 the following 4 courses:

1. North $02^{\circ}49'56''$ East an approximate distance of 1140.04 feet to a point for a corner hereof;
2. North $02^{\circ}41'52''$ East an approximate distance of 366.35 feet to a point for a corner hereof;
3. North $87^{\circ}29'54''$ West an approximate distance of 1773.89 feet to a point for a corner hereof;

4. South $03^{\circ}00'14''$ West an approximate distance of 1494.44 feet to a point in the north line of said County Road 278 for a corner hereof and having an approximate Latitude and Longitude of N 32.81284° , W 100.95127° ;

THENCE North $87^{\circ}18'17''$ West an approximate distance of 6928.09 feet along the approximate north line of said County Road 278 to a point in the approximate east right of way line of U.S. Highway 84 for the southwest corner hereof and having an approximate Latitude and Longitude of N 32.81329° , W 100.97382° ;

THENCE along the approximate east right of way line of U.S. Highway 84 the following 16 courses:

1. North $27^{\circ}32'41''$ West an approximate distance of 1959.81 feet to a point for an angle point hereof;
2. North $27^{\circ}14'42''$ West an approximate distance of 201.67 feet to a point for an angle point hereof;
3. North $26^{\circ}46'45''$ West an approximate distance of 90.15 feet to a point for an angle point hereof;
4. North $27^{\circ}00'24''$ West an approximate distance of 3159.34 feet to a point for an angle point hereof;
5. North $27^{\circ}00'22''$ West an approximate distance of 302.95 feet to a point for an angle point hereof;
6. North $27^{\circ}00'10''$ West an approximate distance of 459.07 feet to a point for an angle point hereof;
7. North $25^{\circ}00'26''$ West an approximate distance of 40.51 feet to a point for an angle point hereof;
8. North $25^{\circ}02'11''$ West an approximate distance of 1541.67 feet to a point of curvature of a curve to the left;
9. Along a curve turning to the left with an arc length of 903.72 feet, with a radius of 2661.80 feet, with a chord bearing of North $34^{\circ}48'44''$ West, with a chord length of 899.39 feet,;
10. North $48^{\circ}20'24''$ West an approximate distance of 612.77 feet to a point for an angle point hereof;
11. North $48^{\circ}22'12''$ West an approximate distance of 29.24 feet to a point for an angle point hereof;
12. North $48^{\circ}26'05''$ West an approximate distance of 1462.12 feet; to a point for an angle point hereof
13. North $55^{\circ}09'54''$ West an approximate distance of 520.02 feet to a point for an angle point hereof;
14. North $47^{\circ}55'54''$ West an approximate distance of 2445.24 feet to a point for an angle point hereof;
15. North $46^{\circ}23'30''$ West an approximate distance of 3374.04 feet to a point for an angle point hereof;
16. North $37^{\circ}39'00''$ West an approximate distance of 1383.96 feet to a point in the common line of said Section 436 and said Section 435 for a corner hereof and having an approximate Latitude and Longitude of N 32.85219° , W 101.01108° ;

THENCE North $03^{\circ}17'51''$ East an approximate distance of 2029.96 feet along said common line to a point in the approximate east line of County Road 2127 for an angle point hereof and having an approximate Latitude and Longitude of N 32.85776° , W 101.01086° ;

THENCE along the approximate east line of said County Road 2127 the following 4 courses:

1. North $02^{\circ}32'18''$ East an approximate distance of 1782.03 feet to a point for an angle point hereof;
2. North $02^{\circ}31'34''$ East an approximate distance of 824.82 feet to a point for an angle point hereof;
3. North $02^{\circ}31'31''$ East an approximate distance of 1588.38 feet to a point for an angle point hereof;
4. North $02^{\circ}31'38''$ East an approximate distance of 1078.84 feet to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.87226° , W 101.01051° ;

THENCE North 55°53'56" West an approximate distance of 58.64 feet to a point in the approximate north line of County Road 2136 for a corner hereof and having an approximate Latitude and Longitude of N 32.87234°, W 101.01067°;

THENCE along the approximate north line of said County Road 2136 the following courses:

1. North 87°03'01" West an approximate distance of 5311.98 feet to a point for an angle point hereof;
2. North 86°21'31" West an approximate distance of 26.36 feet to a point for an angle point hereof;
3. North 87°21'07" West an approximate distance of 1229.89 feet to a point for an angle point hereof;
4. North 87°15'16" West an approximate distance of 1442.47 feet to a point for an angle point hereof;
5. North 87°11'12" West an approximate distance of 1165.08 feet to a point for an angle point hereof;
6. North 51°04'03" West an approximate distance of 360.39 feet to a point for an angle point hereof;
7. South 79°33'29" West an approximate distance of 157.66 feet to a point in the approximate east right of way line of said U.S. Highway 84 for a corner hereof and having an approximate Latitude and Longitude of N 32.87351°, W 101.04198°;

THENCE along the approximate east right of way line of said U.S. Highway 84 the following 18 courses:

1. North 47°20'38" West an approximate distance of 1351.22 feet to a point for an angle point hereof;
2. North 46°49'55" West an approximate distance of 433.95 feet to a point for an angle point hereof;
3. North 46°49'24" West an approximate distance of 568.71 feet to a point for an angle point hereof;
4. North 02°35'43" East an approximate distance of 113.80 feet to a point for an angle point hereof;
5. North 02°35'34" East an approximate distance of 65.22 feet to a point for an angle point hereof;
6. North 48°20'41" West an approximate distance of 299.38 feet; to a point for an angle point hereof;
7. South 68°47'19" West an approximate distance of 141.82 feet to a point for an angle point hereof;
8. North 46°48'19" West an approximate distance of 181.23 feet to a point for an angle point hereof;
9. North 49°14'35" West an approximate distance of 295.34 feet to a point for an angle point hereof;
10. North 41°38'52" West an approximate distance of 318.58 feet to a point for an angle point hereof;
11. North 33°36'36" West an approximate distance of 331.62 feet to a point for an angle point hereof;
12. North 25°24'13" West an approximate distance of 331.60 feet to a point for an angle point hereof;
13. North 17°21'25" West an approximate distance of 318.61 feet to a point for an angle point hereof;
14. North 09°46'04" West an approximate distance of 295.29 feet to a point for an angle point hereof;
15. North 07°49'59" West an approximate distance of 125.65 feet to a point for an angle point hereof;
16. North 07°50'13" West an approximate distance of 434.57 feet to a point for an angle point hereof;
17. North 07°49'46" West an approximate distance of 1018.02 feet to a point for an angle point hereof;

18. North 07°23'05" West an approximate distance of 5426.47 feet to a point in the common line of said Section 543 and said Section 510 for a corner hereof and having an approximate Latitude and Longitude of N 32.90237°, W 101.05593°;

THENCE North 87°13'02" West an approximate distance of 1842.48 feet to a point at or near the common corner of Section 511, A-2755 of said Block 97, said Section 542, said Section 543 and said Section 510 for an angle point hereof and having an approximate Latitude and Longitude of N 32.90249°, W 101.06193°;

THENCE North 87°02'31" West an approximate distance of 5335.09 feet along the south line of said Section 542 to a point at or near the common corner of said Section 511, Section 512, A-1944 of said Block 97, said Section 541 and said Section 542 for an angle point hereof and having an approximate Latitude and Longitude of N 32.90289°, W 101.07931°;

THENCE North 87°23'51" West an approximate distance of 4487.93 feet along the south line of said Section 541 to a point for the western most southwest corner hereof and having an approximate Latitude and Longitude of N 32.90315°, W 101.09393°;

THENCE crossing said Sections 541 and 574 the following 9 courses:

1. North 02°57'47" East an approximate distance of 6716.84 feet to a point for an angle point hereof;
2. North 08°23'57" East an approximate distance of 1286.86 feet to a point for an angle point hereof;
3. North 80°56'53" East an approximate distance of 434.34 feet to a point for an angle point hereof;
4. North 35°40'18" East an approximate distance of 247.73 feet to a point for an angle point hereof;
5. North 11°56'30" East an approximate distance of 286.31 feet to a point for an angle point hereof;
6. North 12°45'27" West an approximate distance of 865.06 feet to a point for an angle point hereof;
7. North 15°02'44" West an approximate distance of 562.72 feet to a point for an angle point hereof;
8. North 00°58'22" West an approximate distance of 300.38 feet to a point for an angle point hereof;
9. North 87°03'53" East an approximate distance of 4168.67 feet to a point at or near the common corner of Section 603, A-413 of said Block 97, Section 604, A-2360 of said Block 97, said Section 573 and said Section 574 for an angle point hereof and having an approximate Latitude and Longitude of N 32.93212°, W 101.07822°;

THENCE South 86°58'19" East an approximate distance of 2300.39 feet to a point in the approximate west right of way of said U.S. Highway 84 for a corner hereof and having an approximate Latitude and Longitude of N 32.93197°, W 101.07101°;

THENCE along the approximate west right of way line of said U.S. Highway 84 the following 13 courses:

1. South 30°10'25" East an approximate distance of 290.04 feet to a point for an angle point hereof;
2. South 47°23'01" West an approximate distance of 25.68 feet to a point for an angle point hereof;
3. South 30°06'49" East an approximate distance of 1357.61 feet to a point for an angle point hereof;
4. South 58°40'17" West an approximate distance of 90.80 feet to a point for an angle point hereof;
5. South 30°17'24" East an approximate distance of 220.64 feet to a point for an angle point hereof;
6. South 30°14'03" East an approximate distance of 553.50 feet to a point for an angle point hereof;
7. North 61°11'01" East an approximate distance of 95.23 feet to a point for an angle point hereof;

8. South 30°51'22" East an approximate distance of 1346.34 feet to a point for an angle point hereof;
9. North 67°46'48" East an approximate distance of 30.02 feet to a point for an angle point hereof;
10. South 31°08'15" East an approximate distance of 1386.96 feet to a point for an angle point hereof;
11. South 59°29'52" West an approximate distance of 23.08 feet to a point for an angle point hereof;
12. South 34°10'50" East an approximate distance of 355.38 feet to a point for an angle point hereof;
13. South 02°47'08" West an approximate distance of 712.33 feet to a point at or near the common corner of said Sections 572, 573, 542 and 543 for a corner hereof and having an approximate Latitude and Longitude of N 32.91715°, W 101.06151°;

THENCE South 86°44'37" East an approximate distance of 5306.19 feet along the common line of said Section 572 and said Section 543 to a point at or near the common corner of said Sections 572, 571, 544 and 543 for an angle point hereof;

THENCE South 87°52'39" East an approximate distance of 5317.55 feet along the common line of said Section 571 and said Section 544 to a point at or near the common corner of said Sections 571, 570, 545 and 544 for a corner hereof and having an approximate Latitude and Longitude of N 32.91649°, W 101.02690°;

THENCE North 02°41'08" East an approximate distance of 5288.48 feet along the common line of said Section 571 and said Section 570 to a point at or near the common corner of Section 606, A-2394 of said Block 97, said Sections 607, 570 and 571 for an angle point hereof;

THENCE South 85°51'23" East an approximate distance of 5387.76 feet along the common line of said Sections 606 and 607 to a point for a corner hereof and having an approximate Latitude and Longitude of N 32.93905°, W 101.02638°;

THENCE South 86°04'24" East an approximate distance of 5242.36 feet to a point in the common line of said Section 607 and said Section 608 for a corner hereof;

THENCE North 02°26'33" East an approximate distance of 2490.55 feet along said common line to a point for a common corner of Section 659, A-1459 of said Block 97, Section 658, A-2388 of said Block 97, said Section 607 and said Section 608 for a corner hereof and having an approximate Latitude and Longitude of N 32.94518, W 101.00869;

THENCE South 87°10'10" East an approximate distance of 5353.88 feet along the common line of said Section 658 and said Section 608 to a point at or near the common corner of said Section 658, Section 657, A-693 of said Block 97, said Section 609 and said Section 608 for an angle point hereof;

THENCE South 87°32'23" East an approximate distance of 4914.61 feet along the common line of said Section 657 and said Section 609 to a point in the approximate west line of F.M. Highway 1142 for a corner hereof;

THENCE along the approximate west line of said F.M. Highway 1142 the following courses:

1. South 09°25'32" East an approximate distance of 430.00 feet to a point for a point of curvature to the left;
2. Along a curve turning to the left with an arc length of 302.40 feet, with a radius of 1000.40 feet, with a chord bearing of South 18°05'07" East, with a chord length of 301.25 feet to point for an angle point hereof;
3. South 26°45'32" East an approximate distance of 116.80 feet to a point for a point of curvature of a curve turning to the right;
4. Along a curve turning to the right with an arc length of 319.52 feet, with a radius of 671.80 feet, with a chord bearing of South 13°08'00" East, with a chord length of 316.52 feet to a point for a corner hereof;

THENCE South 89°30'42" East an approximate distance of 90.92 feet crossing said F.M. Highway 1142 to a point in the approximate east line of said F.M. Highway 1142 for a point of curvature of a curve to the left and corner hereof;

THENCE along the approximate east line of said F.M. Highway 1142 along a curve turning to the left with an arc length of 249.17 feet, with a radius of 671.80 feet, with a chord bearing of North 08°44'10" West, with a chord length of 247.75 feet to a point in the common line of said Section 610 and said Section 609 for a corner hereof;

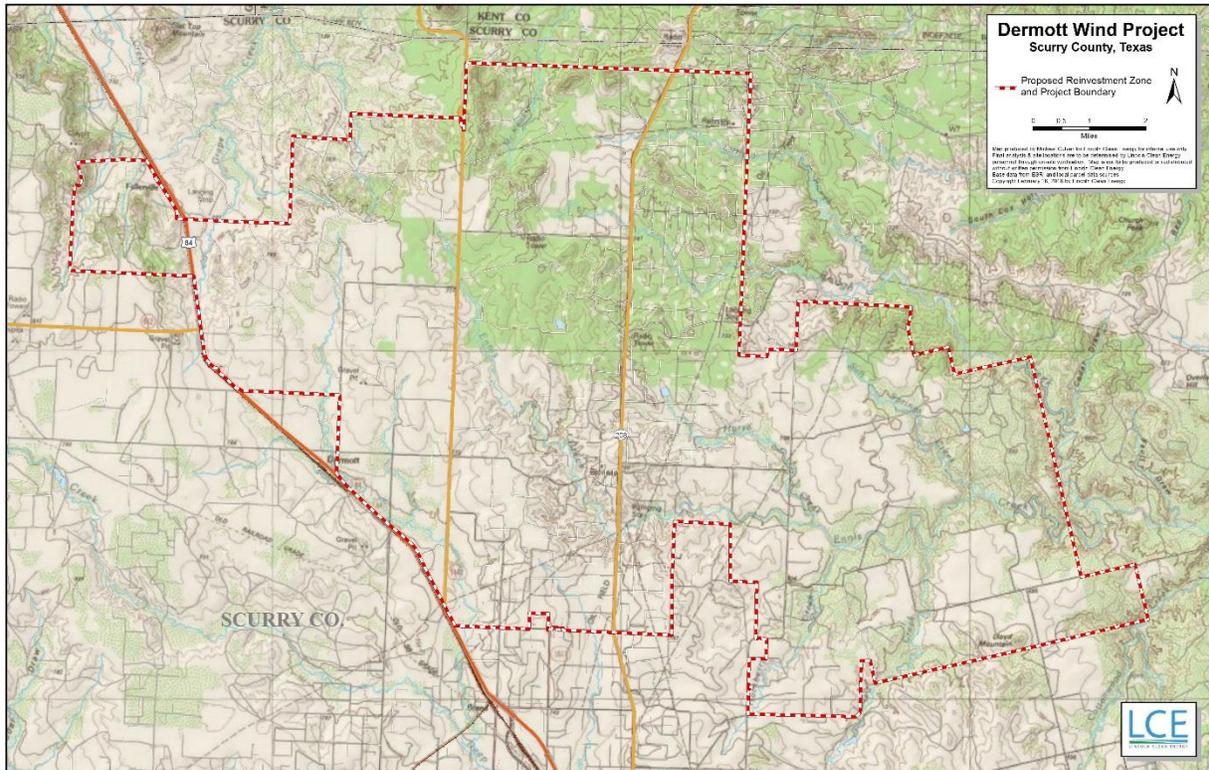
THENCE North 02°31'16" East an approximate distance of 860.77 feet along the common line of said Section 610 and said Section 609 to a point at or near the common corner of said Section 657, said Section 656, said Section 610 and said Section 609 for an angle point hereof;

THENCE North 02°33'19" East an approximate distance of 1490.96 feet along the common line of said Section 657 and said Section 656 to a point in the approximate line of said F.M. Highway 1142 for a point of curvature of a curve to the left;

THENCE along the approximate line of said F.M. Highway 1142 the following 2 courses:

1. Along a curve turning to the left with an arc length of 301.34 feet, with a radius of 1000.40 feet, with a chord bearing of North 10°31'13" East , with a chord length of 300.20 feet to a point for an angle point hereof;
2. North 01°50'27" East an approximate distance of 3435.18 feet to the **POINT OF BEGINNING** and containing 71,834 acres of land, more or less.

Location of Project and Reinvestment Zone:



Location of Snyder ISD, Reinvestment Zone, Project Boundary, Qualified Investment and Qualified Property:

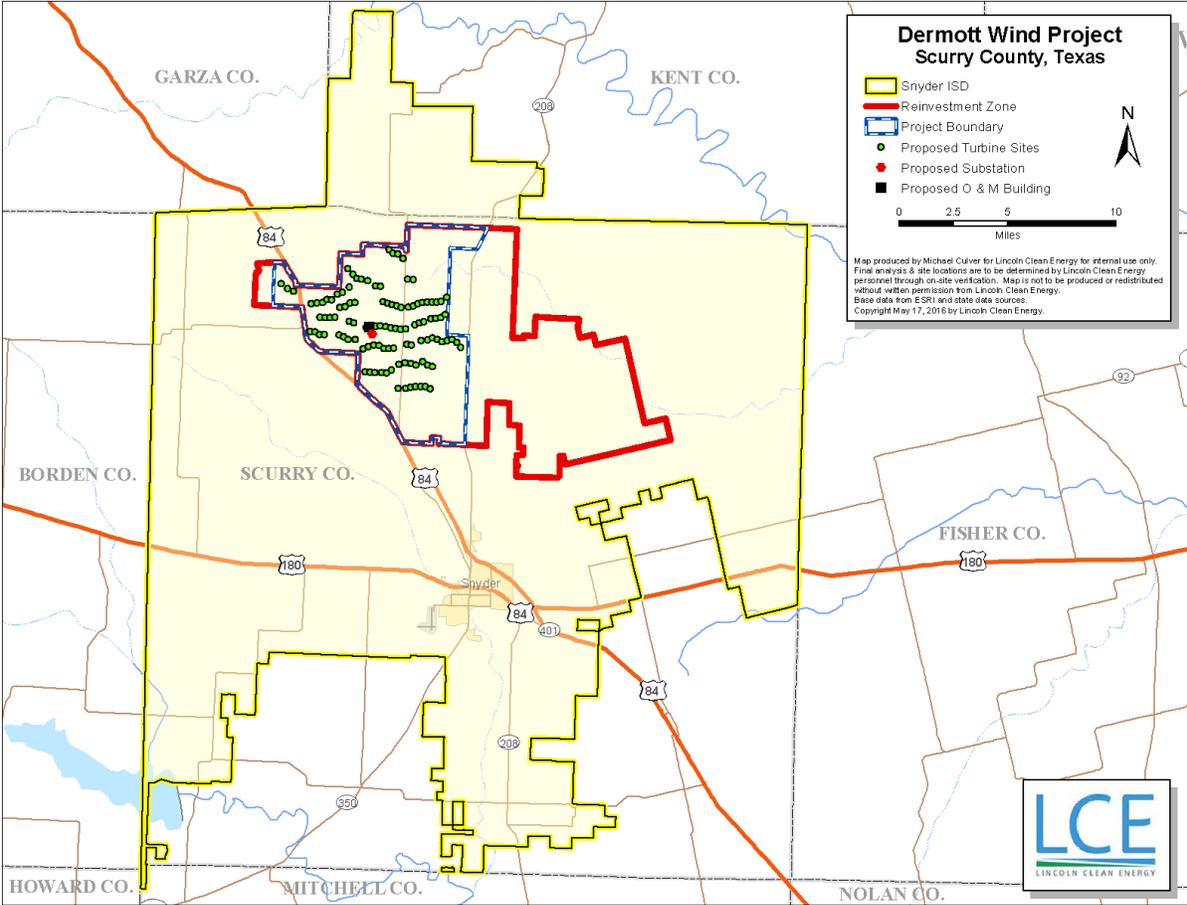


EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to **Exhibit 1**.

Description of Land

BEING APPROXIMATELY 71,834 ACRES OF LAND AND BEING ALL OF AND ANY PORTIONS OF SECTIONS: 381, A-2415, 382, A-1727, A-2724, 383, A-2683, A-2680, A-2674, A-2090, 384, A-1762, 385, A-2628, A-2390, A-2207, A-2520, A-2454, 387, A-1953, A-2960, 388, A-1676, 389, A-2080, A-2829, A-1952, 390, A-1855, A-3002, 392, A-2672, A-1512, 393, A-1936, 394, A-2673, A-1765, A-2682, A-2904, 395, A-2803, A-1910, A-2316, 396, A-2868, A-1822, 436, A-626, 437, A-2123, A-2585, A-2180, A-3024, A-3018, 438, A-1694, 439, A-2089, A-2703, A-2704, 440, A-1532, 441, A-1911, 442, A-548, 443, A-1964, A-2269, A-1919, A-2268, 444, A-518, 445, A-2841, A-2857, 446, A-1710, A-2888, 447, A-2426, 448, A-1693, A-2668, 449, A-2067, 450, A-1531, 451, A-2423, A-2634, 452, A-1808, 453, A-2929, A-2083, A-2424, 489, A-2144, 490, A-2840, A-1945, A-2773, A-2653, 491, A-2082, A-2095, A-2834, 492, A-1809, 493, A-2505, A-2549, A-2146, A-2907, A-2908, 494, A-2713, A-1800, 495, A-2545, 496, A-1799, 497, A-2051, 498, A-1937, 499, A-2031, A-2113, A-1981, A-2202, 500, A-1781, 501, A-2052, 502, A-2492, 503, A-2291, 504, A-2130, 505, A-2124, 506, A-2835, A-1563, 507, A-2716, A-2706, A-2442, 508, A-2441, 509, A-2566, A-2883, A-2791, 510, A-2395, 541, A-2465, 542, A-1642, 543, A-2396, 544, A-1640, 545, A-2565, 546, A-1807, 547, A-2163, A-2967, 548, A-2134, 549, A-2129, 550, A-2292, 551, A-2053, 552, A-1938, 563, A-2054, 564, A-2241, 565, A-2677, A-2783, A-2654, A-2290, 566, A-1798, 567, A-2325, A-2769, A-2324, A-2402, 568, A-2383, A-2879, 569, A-404, 570, A-1641, 573, A-406, 574, A-1643, 607, A-415, 608, A-2387, 609, A-416, 610, A-1804, 611, A-417, 612, A-2022, 613, A-418, 614, A-2271, 652, A-2273, 653, A-683, 654, A-1802, 655, A-692, 656, A-1803, BLOCK 97, H & TC RR. COMPANY SURVEY, SECTION 29, A-513, JK SMITH SURVEY, SECTION 1, A-2659, IA WALKER SURVEY, SECTIONS 24, A-479, 25, A-48 JP SMITH SURVEY, SECTIONS 225, A-123, 227, A-124, 228, A-560, 229, A-125, 230, A-1677, 231, A-346, 232, A-1678, 233, A-347, 234, A-1679, 235, A-348, 236, A-545, 237, A-349, 238, A-1499, 260, A-2373, 261, A-360, 262, A-2034, 263, A-361, 264, A-2867, 164, A-1782, 265, A-362, 266, A-2036, A-2033, 267, A-363, 268, A-1488, A-1783, 269, A-364, 270, A-2102, BLOCK 2, H&TC RR COMPANY SURVEY, SECTION 1, A-2845, A-2542 J.A. KUYKENDALL SURVEY AND SECTION 2, A-2846, M.A. FULLER SURVEY LYING IN AND BEING SITUATED OUT OF SCURRY COUNTY, TEXAS.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

All Qualified Investment owned or leased by the Applicant, as more fully described in Tab 7 of the Application and **EXHIBIT 4** of this Agreement, located within the boundaries of both the Snyder Independent School District and the reinvestment zone first placed in service after August 25, 2016 will be included in and subject to this Agreement. Specifically, all Qualified Investment of the Applicant located in the sections of land identified in **EXHIBIT 2** and within the boundaries indicated on the map attached as the last page of **EXHIBIT 4**.

Description of Qualified Investment

Dermott Wind, LLC plans to construct a 253 MW wind farm in Scurry County consisting of 110 turbines.

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within Snyder ISD. The qualified investment in Snyder ISD is expected to include approximately one-hundred and ten (110) GE 2.3MW wind turbine generators, including 80m towers, nacelles, rotors with 116m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, access roads, met towers, spare parts and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the northwestern part of Scurry County. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the Project will also include an operations and maintenance building that will likely be located in the approximate center of the Project. (It is also shown on the map in Tab 11.) The Project will also require a series of new access roads to the turbines, underground electrical collection cables, permanent meteorological towers, a substation, and an overhead transmission line connecting the project substation to the Point of Interconnection.

The 2,016 ft. of road constructed on the project in late 2015 to assist with Production Tax Credit qualification will not be part of the qualified investment or qualified property.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all Qualified Property within Snyder ISD necessary for the commercial operations of the wind energy generation facility described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on the last page of this **EXHIBIT 4**.

The proposed project will include, but is not limited to, the following:

- Approximately 253 MW in size;
- Anticipated 2.3 MW Wind Turbines;
- Medium and high-voltage electric cabling;
- Project substation which will include a high-voltage transformer, switchgear,
- Transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid;
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure weather conditions and wind speeds; and,
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

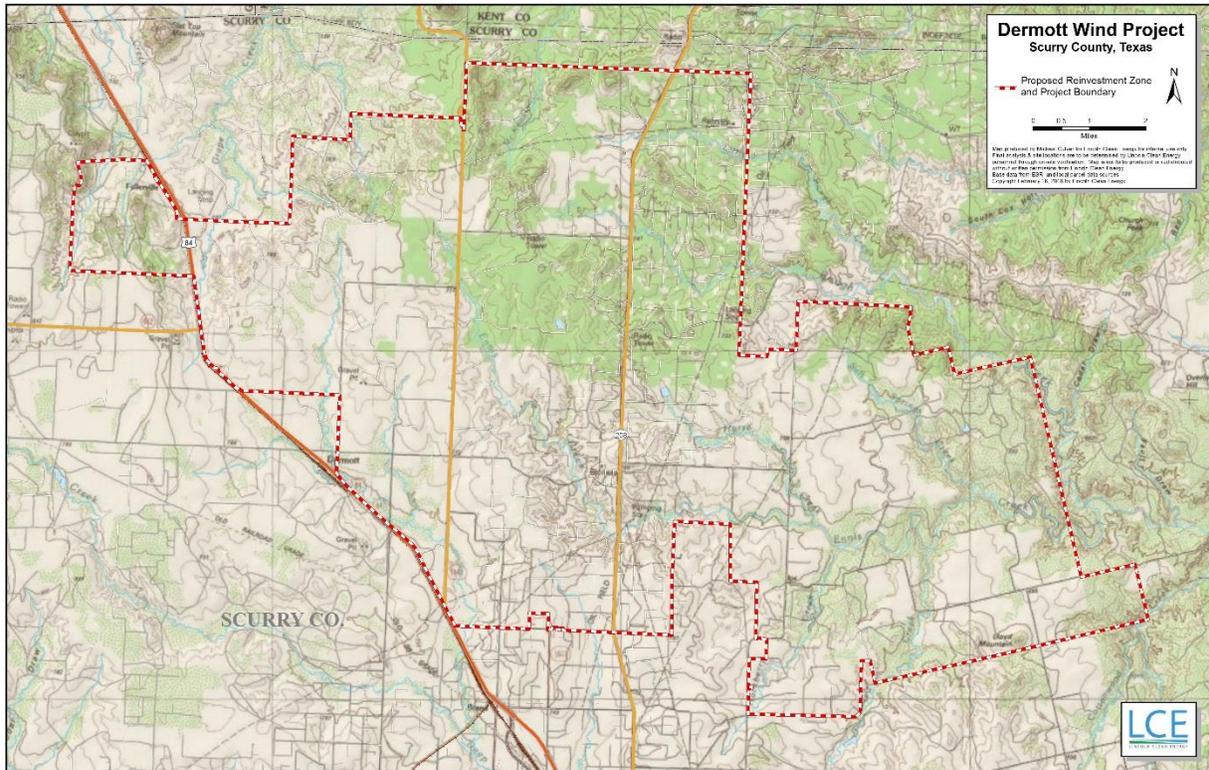
Detailed Description of the Project

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.

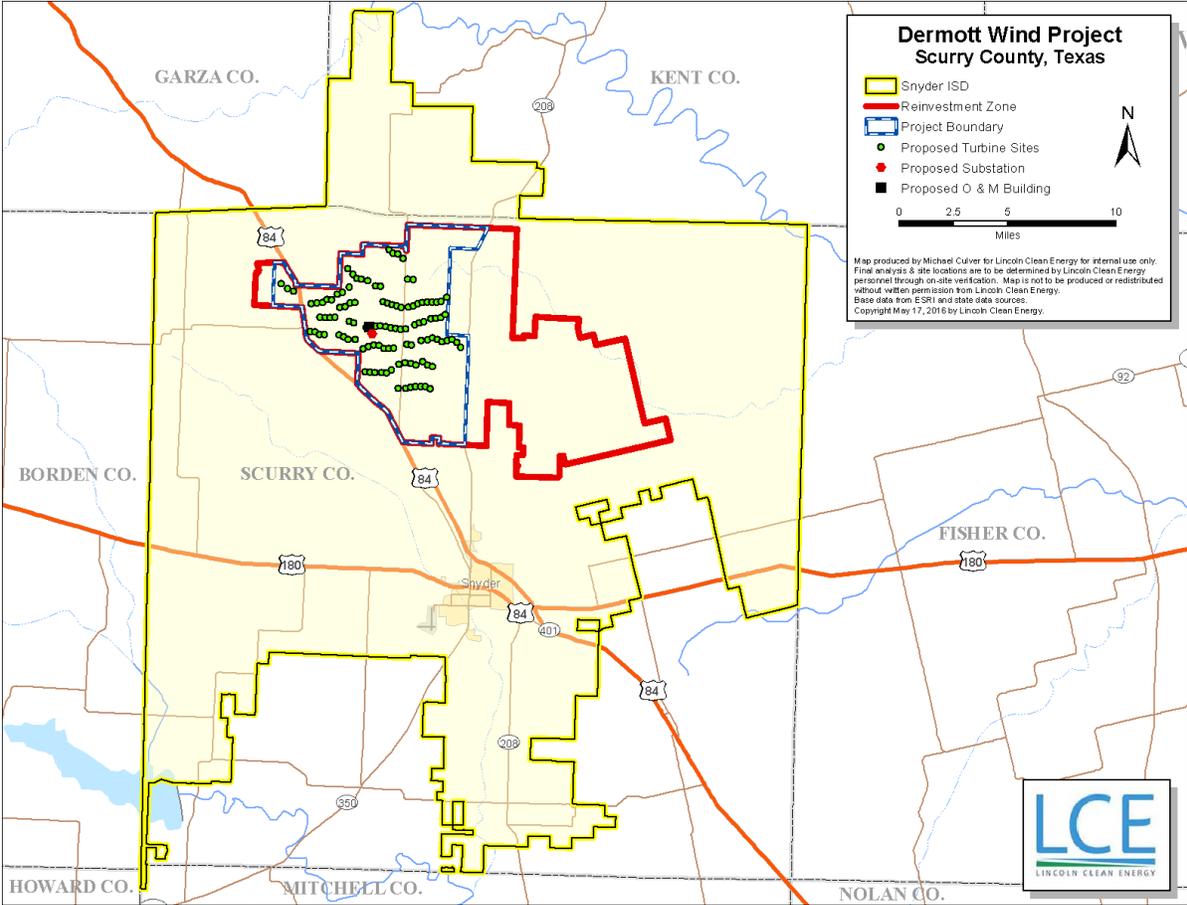
Dermott Wind, LLC (“Dermott Wind”) is requesting a Chapter 313 Appraised Value Limitation Agreement from Snyder ISD for a proposed renewable energy project using wind turbines (the “Project”) to be constructed in Snyder ISD in northwestern Scurry County. The installed capacity of the proposed project is expected to be approximately 253 megawatts (MW). While turbine type and size have yet to be finalized, the current plan is to utilize 2.3 MW turbines. The Project is anticipated to cover over 30,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in November 2016, and is anticipated to be complete in the fourth quarter of 2017. In addition to the wind turbines, the Project will also include an operations and maintenance building, a series of new access roads to the turbines, underground electrical collection cables, meteorological towers, a substation, and an overhead transmission line connecting to a substation at the Point of Interconnection to the new ERCOT transmission line. None of this property is covered under an existing appraisal district account number.

Approximately 200 construction workers are anticipated at peak of construction activity, and approximately 6 permanent, full-time workers are anticipated for the plant management and operations and maintenance functions for the entire project.

Location of Project and Reinvestment Zone:



Location of Snyder ISD, Reinvestment Zone, Project Boundary, Qualified Investment and Qualified Property:



Findings and Order of the Snyder Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by Dermott Wind, LLC (Tax ID 32056768115) (Application # 1128)

ATTACHMENT H
Letter from the Texas Commissioner of
Education Regarding Impact on
Enrollment



Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

May 11, 2016

Ronnie Buster Anderson, President
Board of Trustees
Snyder Independent School District
2901 37th Street
Snyder, TX 79549-5226

Dear Mr. Anderson:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Dermott Wind LLC project on the number and size of school facilities in Snyder Independent School District (SISD). Based on an examination of SISD enrollment and the number of potential new jobs, the TEA has determined that the Dermott Wind LLC project should not have a significant impact on the number or size of school facilities in SISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie". The signature is fluid and cursive, with a large initial "A" and "M".

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Jim Kirkland