



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

February 1, 2017

Eduardo Infante  
Superintendent  
Lyford Consolidated Independent School District  
PO Box 2220  
Lyford, Texas 78569

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Lyford Consolidated Independent School District and Las Majadas Wind Farm, LLC, Application 1150

Dear Superintendent Infante:

On November 3, 2016, the Comptroller issued written notice that Las Majadas Wind Farm, LLC (applicant) submitted a completed application (Application 1150) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted on August 15, 2016, to the Lyford Consolidated Independent School District (school district) by the applicant.

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

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

**Determination required by 313.025(h)**

- |                   |   |
|-------------------|---|
| Sec. 313.024(a)   | Applicant is subject to tax imposed by Chapter 171.   |
| Sec. 313.024(b)   | Applicant is proposing to use the property for an eligible project.   |
| 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 1150.   |

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.

<sup>1</sup> 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's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

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

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

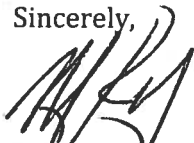
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed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

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2017.

Note that any building or improvement existing as of the application review start date of November 3, 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](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reising  
Deputy Comptroller

Enclosure

cc: Will Counihan

### Attachment A – Economic Impact Analysis

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

**Table 1** is a summary of investment, employment and tax impact of Las Majadas Wind Farm, LLC.

Applicant	Las Majadas Wind Farm, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Lyford Consolidated ISD
2015-2016 Average Daily Attendance	1,438
County	Willacy
Proposed Total Investment in District	\$262,600,000
Proposed Qualified Investment	\$262,600,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2018-2019
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	\$711
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$711
Minimum annual wage committed to by applicant for qualified jobs	\$36,996.96
Minimum weekly wage required for non-qualifying jobs	\$605
Minimum annual wage required for non-qualifying jobs	\$31,461
Investment per Qualifying Job	\$43,766,667
Estimated M&O levy without any limit (15 years)	\$29,764,355
Estimated M&O levy with Limitation (15 years)	\$9,851,437
Estimated gross M&O tax benefit (15 years)	\$19,912,918
* 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 Las Majadas Wind Farm, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	85	71	156	\$2,082,670	\$7,358,380	\$9,441,050
2019	6	14	19.5053	\$221,982	\$1,701,948	\$1,923,930
2020	6	14	20	\$221,982	\$1,719,708	\$1,941,690
2021	6	13	19	\$221,982	\$1,661,058	\$1,883,040
2022	6	12	18	\$221,982	\$1,596,478	\$1,818,460
2023	6	10	16	\$221,982	\$1,520,848	\$1,742,830
2024	6	10	16	\$221,982	\$1,439,128	\$1,661,110
2025	6	9	15	\$221,982	\$1,377,388	\$1,599,370
2026	6	8	14	\$221,982	\$1,318,598	\$1,540,580
2027	6	7	13	\$221,982	\$1,263,908	\$1,485,890
2028	6	7	13	\$221,982	\$1,213,328	\$1,435,310
2029	6	3	9	\$221,982	\$684,188	\$906,170
2030	6	1	7	\$221,982	\$424,938	\$646,920
2031	6	0	6	\$221,982	\$245,158	\$467,140
2032	6	(0)	6	\$221,982	\$121,608	\$343,590
2033	6	(0)	6	\$221,982	\$38,218	\$260,200

Source: CPA REMI, Las Majadas Wind Farm, 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 <sup>1</sup>	Lyford CISD I&S Tax Levy	Lyford CISD M&O Tax Levy	Lyford CISD M&O and I&S Tax Levies	Willacy County Tax Levy	Willacy County Hospital District Tax	Willacy County Emergency Services	Willacy County Drainage District #1 Tax	Estimated Total Property Taxes
				0.1100	1.1700		0.6059	0.0383	0.0397	0.2500	
2019	\$ 236,996,500.00	\$236,996,500		\$260,696	\$2,772,859	\$3,033,555	\$1,435,962	\$90,722	\$94,088	\$592,491	\$5,246,818
2020	\$ 225,146,675.00	\$225,146,675		\$247,661	\$2,634,216	\$2,881,877	\$1,364,164	\$86,186	\$89,383	\$562,867	\$4,984,477
2021	\$ 213,889,341.25	\$213,889,341		\$235,278	\$2,502,505	\$2,737,784	\$1,295,956	\$81,877	\$84,914	\$534,723	\$4,735,253
2022	\$ 203,194,874.19	\$203,194,874		\$223,514	\$2,377,380	\$2,600,894	\$1,231,158	\$77,783	\$80,668	\$507,987	\$4,498,491
2023	\$ 193,035,130.48	\$193,035,130		\$212,339	\$2,258,511	\$2,470,850	\$1,169,600	\$73,894	\$76,635	\$482,588	\$4,273,566
2024	\$ 183,383,373.95	\$183,383,374		\$201,722	\$2,145,585	\$2,347,307	\$1,111,120	\$70,199	\$72,803	\$458,458	\$4,059,888
2025	\$ 174,214,205.26	\$174,214,205		\$191,636	\$2,038,306	\$2,229,942	\$1,055,564	\$66,689	\$69,163	\$435,536	\$3,856,893
2026	\$ 165,503,494.99	\$165,503,495		\$182,054	\$1,936,391	\$2,118,445	\$1,002,786	\$63,355	\$65,705	\$413,759	\$3,664,049
2027	\$ 157,228,320.24	\$157,228,320		\$172,951	\$1,839,571	\$2,012,522	\$952,646	\$60,187	\$62,420	\$393,071	\$3,480,846
2028	\$ 149,366,904.23	\$149,366,904		\$164,304	\$1,747,593	\$1,911,896	\$905,014	\$57,178	\$59,299	\$373,417	\$3,306,804
2029	\$ 141,898,559.02	\$141,898,559		\$156,088	\$1,660,213	\$1,816,302	\$859,763	\$54,319	\$56,334	\$354,746	\$3,141,464
2030	\$ 134,803,631.07	\$134,803,631		\$148,284	\$1,577,202	\$1,725,486	\$816,775	\$51,603	\$53,517	\$337,009	\$2,984,391
2031	\$ 128,063,449.52	\$128,063,450		\$140,870	\$1,498,342	\$1,639,212	\$775,936	\$49,023	\$50,841	\$320,159	\$2,835,171
2032	\$ 121,660,277.04	\$121,660,277		\$133,826	\$1,423,425	\$1,557,252	\$737,140	\$46,572	\$48,299	\$304,151	\$2,693,413
2033	\$ 115,577,263.19	\$115,577,263		\$127,135	\$1,352,254	\$1,479,389	\$700,283	\$44,243	\$45,884	\$288,943	\$2,558,742
			Total	\$2,798,358	\$29,764,355	\$32,562,714	\$15,413,866	\$973,829	\$1,009,953	\$6,359,905	\$56,320,266

Source: CPA, Las Majadas Wind Farm, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Willacy 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 Willacy County, Willacy Hospital District, Willacy Emergency Services District, and Willacy County Drainage District #1.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Lyford CISD I&S Tax Levy	Lyford CISD M&O Tax Levy	Lyford CISD M&O and I&S Tax Levies	Willacy County Tax Levy	Willacy County Hospital District Tax Levy	Willacy County Emergency Services District Tax Levy	Willacy County Drainage District #1 Tax Levy	Estimated Total Property Taxes	
				0.1100	1.1700		0.6059	0.0383	0.0397	0.2500		
2019	\$ 236,996,500.00	\$ 20,000,000.00		\$260,696	\$234,000	\$494,696	\$0	\$0	\$0	\$0	\$494,696	
2020	\$ 225,146,675.00	\$ 20,000,000.00		\$247,661	\$234,000	\$481,661	\$0	\$0	\$0	\$0	\$481,661	
2021	\$ 213,889,341.25	\$ 20,000,000.00		\$235,278	\$234,000	\$469,278	\$0	\$0	\$0	\$0	\$469,278	
2022	\$ 203,194,874.19	\$ 20,000,000.00		\$223,514	\$234,000	\$457,514	\$0	\$0	\$0	\$0	\$457,514	
2023	\$ 193,035,130.48	\$ 20,000,000.00		\$212,339	\$234,000	\$446,339	\$0	\$0	\$0	\$0	\$446,339	
2024	\$ 183,383,373.95	\$ 20,000,000.00		\$201,722	\$234,000	\$435,722	\$0	\$0	\$0	\$0	\$435,722	
2025	\$ 174,214,205.26	\$ 20,000,000.00		\$191,636	\$234,000	\$425,636	\$0	\$0	\$0	\$0	\$425,636	
2026	\$ 165,503,494.99	\$ 20,000,000.00		\$182,054	\$234,000	\$416,054	\$0	\$0	\$0	\$0	\$416,054	
2027	\$ 157,228,320.24	\$ 20,000,000.00		\$172,951	\$234,000	\$406,951	\$0	\$0	\$0	\$0	\$406,951	
2028	\$ 149,366,904.23	\$ 20,000,000.00		\$164,304	\$234,000	\$398,304	\$0	\$0	\$0	\$0	\$398,304	
2029	\$ 141,898,559.02	\$ 141,898,559.02		\$156,088	\$1,660,213	\$1,816,302	\$859,763	\$54,319	\$56,334	\$0	\$2,786,717	
2030	\$ 134,803,631.07	\$ 134,803,631.07		\$148,284	\$1,577,202	\$1,725,486	\$816,775	\$51,603	\$53,517	\$337,009	\$2,984,391	
2031	\$ 128,063,449.52	\$ 128,063,449.52		\$140,870	\$1,498,342	\$1,639,212	\$775,936	\$49,023	\$50,841	\$320,159	\$2,835,171	
2032	\$ 121,660,277.04	\$ 121,660,277.04		\$133,826	\$1,423,425	\$1,557,252	\$737,140	\$46,572	\$48,299	\$304,151	\$2,693,413	
2033	\$ 115,577,263.19	\$ 115,577,263.19		\$127,135	\$1,352,254	\$1,479,389	\$700,283	\$44,243	\$45,884	\$288,943	\$2,558,742	
				<b>Total</b>	<b>\$2,798,358</b>	<b>\$9,851,437</b>	<b>\$12,649,795</b>	<b>\$3,889,897</b>	<b>\$245,759</b>	<b>\$254,875</b>	<b>\$1,250,262</b>	<b>\$18,290,588</b>
				<b>Diff</b>	<b>\$0</b>	<b>\$19,912,918</b>	<b>\$19,912,918</b>	<b>\$11,523,968</b>	<b>\$728,070</b>	<b>\$755,078</b>	<b>\$5,109,643</b>	<b>\$38,029,678</b>

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Las Majadas Wind Farm, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

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

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Las Majadas Wind Farm, 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 directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2019	\$234,000	\$234,000	\$2,538,859	\$2,538,859
	2020	\$234,000	\$468,000	\$2,400,216	\$4,939,075
	2021	\$234,000	\$702,000	\$2,268,505	\$7,207,580
	2022	\$234,000	\$936,000	\$2,143,380	\$9,350,960
	2023	\$234,000	\$1,170,000	\$2,024,511	\$11,375,471
	2024	\$234,000	\$1,404,000	\$1,911,585	\$13,287,057
	2025	\$234,000	\$1,638,000	\$1,804,306	\$15,091,363
	2026	\$234,000	\$1,872,000	\$1,702,391	\$16,793,754
	2027	\$234,000	\$2,106,000	\$1,605,571	\$18,399,325
	2028	\$234,000	\$2,340,000	\$1,513,593	\$19,912,918
<b>Maintain Viable Presence (5 Years)</b>	2029	\$1,660,213	\$4,000,213	\$0	\$19,912,918
	2030	\$1,577,202	\$5,577,416	\$0	\$19,912,918
	2031	\$1,498,342	\$7,075,758	\$0	\$19,912,918
	2032	\$1,423,425	\$8,499,183	\$0	\$19,912,918
	2033	\$1,352,254	\$9,851,437	\$0	\$19,912,918
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2034	\$1,284,641	\$11,136,078	\$0	\$19,912,918
	2035	\$1,220,409	\$12,356,488	\$0	\$19,912,918
	2036	\$1,159,389	\$13,515,876	\$0	\$19,912,918
	2037	\$1,101,419	\$14,617,296	\$0	\$19,912,918
	2038	\$1,046,348	\$15,663,644	\$0	\$19,912,918
	2039	\$994,031	\$16,657,675	\$0	\$19,912,918
	2040	\$944,329	\$17,602,004	\$0	\$19,912,918
	2041	\$897,113	\$18,499,117	\$0	\$19,912,918
	2042	\$852,257	\$19,351,375	\$0	\$19,912,918
	2043	\$809,644	\$20,161,019	\$0	\$19,912,918

**\$20,161,019**

is greater than

**\$19,912,918**

<b>Analysis Summary</b>	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

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, Las Majadas Wind Farm, 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.

## 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 Las Majadas Wind Farm 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:

- Las Majadas Wind Farm, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Las Majadas Wind Farm, LLC was formed in 2016. In support of its creation the participating members, EDF Renewable Energy, executed documents necessary to form the entity, Las Majadas Wind Farm, LLC. EDF Renewable Energy has entered into the following representative agreements and contracts for the development of a project phase within Lyford CISD and to assign these assets to Las Majadas Wind Farm, LLC. Grants of leases and easements covering approximately 15,000 acres with 50 landowners, Four Season Avian Study and contract, Threatened & Endangered Species Studies and contract, Reinvestment Zone with Willacy County Commissioners Court, Interconnection Application with ERCOT, Agreement with local partner for local representation.”
  - B. “EDF Renewable Energy’s (“EDF RE”) management team is uniquely qualified to develop and construct wind and other energy projects in the United States with a favorable wind regime. In North America, EDF RE has developed of 7.8 gigawatts of renewable energy developments and currently operates 10.7 gigawatts. Based on this experience the management team evaluates all potential projects for feasibility, financeability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the state of Texas as WITHIN the state of Texas. Other locations being evaluated include, but are not limited to: California, Colorado, Oklahoma, Kansas, Iowa, Minnesota, Illinois, Montana, Indiana, Michigan, Pennsylvania, and Washington.”
  - C. “For these reasons. EDF Renewable Energy studies and evaluates various competing sites throughout the market areas across the US where wind development is attractive. Without a Value Limitation program, EDF Renewable Energy would seek to move to alternative sites outside of the state of Texas.”

- D. "Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other wind projects with similar incentives."
- E. "Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to finance the projected capital costs of approximately \$260M needed to purchase wind turbines and other infrastructure and to fund the construction of the facility."
- According to Willacy County Chronicle News dated April 27, 2016, "A new reinvestment zone that will benefit a new wind farm could be created in Willacy County if it gets the green light of approval by the commissioners' court. The commissioners will hold a public hearing this Thursday and people are welcome to give their opinions on what is known as Las Majadas Reinvestment Zone- Willacy County."
  - April 28, 2016, Regular Meeting Minutes of the Honorable Commissioner's Court of Willacy County, "Approval of Resolution and order approving designation of the Las Majadas Reinvestment Zone."
  - According to Willacy County Chronicle News dated May 4, 2016, "A new wind farm is coming to Willacy County, making it the third company that will provide energy from wind power here. An environmental study is under way for the project that is expected to cost more than \$130 million. The resolution was approved during Thursday's meeting of the commissioners' court."

### **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 type="checkbox"/> Land has no existing improvements	<input checked="" 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.**

# **Supporting Information**

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

## Attachment 5

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

*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.*

#### **2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?**

Las Majadas Wind Farm, LLC was formed in 2016. In support of its creation the participating members, EDF Renewable Energy, executed documents necessary to form the entity, Las Majadas Wind Farm, LLC.

EDF Renewable Energy has entered into the following representative agreements and contracts for the development of a project phase within Lyford CISD and intends to assign these assets to Las Majadas Wind Farm, LLC:

- Grants of leases and easements covering approximately 15,000 acres with 50 landowners.
- Four Season Avian Study and contract
- Bat Acoustic Study and contract
- Threatened & Endangered Species Studies and contract
- Reinvestment Zone with Willacy County Commissioners Court
- Interconnection Application with ERCOT
- Agreement with local partner for local representation

#### **7. Is the applicant evaluating other locations not in Texas for the proposed project?**

Yes. EDF Renewable Energy's ("EDF RE") management team is uniquely qualified to develop and construct wind and other energy projects in the United States with a favorable wind regime. In North America, EDF RE has developed of 7.8 gigawatts of renewable energy developments and currently operates 10.7 gigawatts. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the state of Texas as WITHIN the state of Texas. Other locations being evaluated include, but are not limited to:

California  
Colorado  
Oklahoma  
Kansas

Iowa  
Minnesota  
Illinois  
Montana  
Indiana  
Michigan  
Pennsylvania  
Washington

For these reasons, EDF Renewable Energy studies and evaluates various competing sites throughout the market areas across the US where wind development is attractive. Without a Value Limitation program, EDF Renewable Energy would seek to move to alternative sites outside of the state of Texas.

The Las Majadas Wind Project is currently in such a period of assessment to determine whether the identified site in Lyford CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the subject planned 202 MW Las Majadas could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other wind projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$260M needed to purchase wind turbines and other infrastructure and to fund the construction of the facility.

**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?**

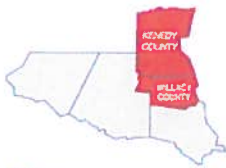
The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Las Majadas.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

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2016-05-04 / Front Page

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## 3rd wind farm coming to county in 2017

BY TONY VINDELL  
Reporter



MORE WIND TURBINES like this one will be erected in this county. (Photo by TonyVindell)

A new wind farm is coming to Willacy County, making it the third company that will provide energy from wind power here.

Called Own Energy, the company took a big step after the commissioners' court approved a resolution designating what is known as Las Majadas Reinvestment Zone in the eastern part of the county.

The zone will allow Own Energy to get tax abatements from the county.

Robert Peña, vice president with Texas Energy Consultants, said the zone will set the boundaries for the proposed project.

"We don't have the specifics yet," he said. "By doing this it will allow us to establish this renewable project."

According to the project's summary, Las Majadas has the participation of 50 landowners who have agreed to lease more than 15,000 acres of land.

An environmental study is under way for the project that is expected to cost more than \$130 million.

Construction of the wind farm is not expected to get started until 2017.

Once built, Own Energy will become the third such operation in this county after Eon Climates & Renewables and Duke Energy, both of which have about 250 wind turbines.

The resolution was approved during Thursday's meeting of the commissioners' court.

In other business, the commissioners:

- Heard an update from Joe Wetegrove about the assisted living project called La Jarra.

He said a first building is being constructed and two more will follow soon.

He also said they need to solve an issue with AEP that has caused some frustration.

- Agreed to pay up to \$14,000 for the sheriff's department electrical system and \$2,000 for two advertising pages for a chamber of commerce publication.

- Accepted a request to have the district attorney's office remove Lasara Constable Mario Salazar from office.

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Pittman PTO invites You to Our Family

# FALL FESTIVAL

at Pittman Cemetery Campus

Enjoy games, raffles, food booths, Chalupa & so much more by our students from Pittman Elementary.

Experience Our Spooky House

28TH OCT 4 pm to 7 pm

Bring a pot of soul food, your friends that grade level organizations & host!

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## County to consider designating new reinvestment zone for more windmills

BY TONY VINDELL  
Reporter

A new reinvestment zone that will benefit a new wind farm could be created in Willacy County if it gets the green light of approval by the commissioners' court.

The commissioners will hold a public hearing this Thursday and people are welcome to give their opinions on what is known as Las Majadas Reinvestment Zone- Willacy County.

The zone to be designated is where a third wind farm is to be built.

Called EDF Energy, the project calls for building 100 wind turbines on nearly 15,000 acres of land in the eastern part of the county.

If it happens, it will become the third wind farm after E-On Climate & Renewables and Duke Energy, both of which have more than 260 turbines east of Interstate 69.

After the scheduled 10 a.m. public hearing, the commissioners will meet in regular session and will consider a resolution supporting the designation.

In other business, the commissioners will consider:

- Approving a proclamation declaring the month of May as "Motorcycle Safety Awareness Month,"
- Granting the use of the courthouse grounds for Peace Officer's Memorial Day and Police Week from May 15-21.
- Approve a monthly status report update for La Jarra project.
- A request from the district attorney's office to remove Constable Mario Salazar from office.

As the constable for Willacy County Precinct 5, he abandoned his post in the summer of 2015 and no one has been able to contact him.

Salazar ran unopposed in May 2012 and was reelected to another four year term. His post is up for grabs in the May Primary election.

Salazar's precinct covers Lasara and its surroundings.

Because he is still on the county payroll, a check has been issued to him every month even though it doesn't go out to him.

Salazar's annual salary is \$20,300 and \$29,457 if benefits are included.

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VETERANS DAY CEREMONY  
NOV. 11, 2016  
Building Stadium at 9:30 AM  
Prelude to begin at 9:45 AM

The United States Coast Guard Auxiliary District 16 will give tribute to our nation's veterans with the 2016 Auxiliary Veterans Day Ceremony. The Veterans Day Ceremony will honor both veterans and their families. There will be a parade on Highway 101 and a luncheon. The public and all veterans are cordially invited.

WWW.VETERANSDAYCEREMONY.COM

THE CLASSIFIEDS  
Advertisement Available for the Classified Page is Tuesday at 5:00 P.M.  
MONEY BACK GUARANTEE: If your ad does not appear in the classified page, we will refund your money.

For Rent	Real Estate	Public Notice	Legal Notice	Change of Address	Lost and Found
Business	Jobs	Services	Healthcare	Automotive	Other



April 28, 2016  
Regular Meeting

BE IT REMEMBERED, that on the 28th day of April, A.D., 2016 there was held a Regular Meeting of the Honorable Commissioners' Court of Willacy County, Texas at the County Judge's Office, 576 West Main, in the City of Raymondville, Texas for the purpose of transacting the following agenda:

1. Call to Order.
2. Roll Call/ Establishment of Quorum.
3. Invocation/Pledge.
4. Public Comment (s).
5. Presentation by Mary Ann Saenz (TAC) in regards to Risk Control Reimbursement Program.
6. Discussion and Action to approve Proclamation declaring the month of May as "Motorcycle Safety Awareness Month in Willacy County." ACTION REQUIRED
7. Approval to use courthouse grounds for Peace Officer's Memorial Day and Police Week from May 15-21, 2016. ACTION REQUIRED
8. Discussion and Action to adopt resolution to designate signators for 2016 TXCDBG Contract # 7215135. ACTION REQUIRED
9. Discussion and Action to approve monthly status report update for La Jarra Project TCF 711322. ACTION REQUIRED
10. Consider and take necessary action to withdraw the 2016 DR engineering contract award approved January 14, 2016 to Naismith Engineering Inc., for applicable streets located in Sebastian to avoid duplication of design work already completed by another engineering firm. ACTION REQUIRED
11. Consider and approve resolution to act on contract award to Guzman and Munoz Engineering for 2016 DR engineering services related to applicable streets in Sebastian. ACTION REQUIRED
12. Discussion and Action to approve the Willacy County Chamber of Commerce for 2016-2017 advertising of two pages in annual tourist guide/directory highlighting tourism in Willacy County and surrounding services. ACTION REQUIRED
13. Discussion and Action to approve a resolution and order approving designation of the Las Majadas Reinvestment Zone. ACTION REQUIRED
14. Discussion and Action to approve quote for the Sheriff's Department Electrical System. ACTION REQUIRED
15. Discussion and Action to approve the Interlocal Agreement between the County of Willacy and the Lower Rio Grande Valley Workforce Development Board. ACTION REQUIRED

April 28, 2016  
Regular Meeting

Agenda # 11  
IN REGARDS TO CONSIDER AND  
APPROVE RESOLUTION TO ACT  
ON CONTRACT AWARD TO  
GUZMAN AND MUNOZ ENGINEERING  
FOR 2016 DR ENGINEERING SERVICES  
RELATED TO APPLICABLE STREETS IN  
SEBASTIAN

Motion was made by Commissioner Gonzales, seconded by Commissioner De Luna for approval with the same amendment on the last part with Sebastian and Citation Road Projects. Motion was put before the Court by the Chairman. Commissioners Guerra, De Luna, Serrato and Gonzales voting AYE. NAYS NONE. Motion was declared carried.

Agenda # 12  
DISCUSSION AND ACTION TO  
APPROVE THE WILLACY COUNTY  
CHAMBER OF COMMERCE FOR  
2016-2017 ADVERTISING OF TWO  
PAGES IN ANNUAL TOURIST GUIDE/  
DIRECTORY HIGHLIGHTING TOURISM  
IN WILLACY COUNTY AND  
SURROUNDING SERVICES

Motion was made by Commissioner Gonzales, seconded by Commissioner De Luna for approval of \$1,000.00 for the advertising of the two pages to be paid out from the Hotel/Motel Tax. Motion was put before the Court by the Chairman. Commissioners Guerra, De Luna, Serrato and Gonzales voting AYE. NAYS NONE. Motion was declared carried.

Agenda # 13  
DISCUSSION AND ACTION TO  
APPROVE A RESOLUTION AND  
ORDER APPROVING DESIGNATION  
OF THE LAS MAJADAS REINVESTMENT  
ZONE

Motion was made by Commissioner Gonzales, seconded by Commissioner Serrato for approval of Resolution and order approving designation of the Las Majadas Reinvestment Zone. Motion was put before the Court by the Chairman. Commissioners Guerra, De Luna, Serrato and Gonzales voting AYE. NAYS NONE. Motion was declared carried.