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FINDINGS  
OF THE  
LYFORD CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES

UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY

LAS MAJADAS WIND FARM, LLC  
*(Texas Taxpayer ID #32061072362)*  
(Application #1150)

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August 8, 2017



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 Lyford Consolidated 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 Lyford CISD is \$262,600,000, all 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 \$36,996.96 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 \$43.7 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:

Board Findings of the Lyford Consolidated Independent School District

The project’s total investment is \$262,600,000, resulting in a relative level of investment per qualifying job of \$43,766,667.

**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 farm 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 Las Majadas Wind Farm, LLC (modeled)**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2017	450	515	965	\$ 29,250,000	\$ 43,178,100	\$ 72,428,100
2018	85	71	156	\$ 2,082,670	\$ 7,358,380	\$ 9,441,050
2019	6	14	20	\$ 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

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 Table 3 and Table 4:

Board Findings of the Lyford Consolidated 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	LCISD I&S Tax Levy	LCISD M&O Tax Levy	LCISD M&O and I&S Tax Levies	Willacy County Tax Levy	Willacy Co. Hospital Dist. Tax Levy	Willacy Co. ESD Tax Levy	Willacy Co. Drainage Dist. #1 Tax Levy	Estimated Total Property Taxes
	<b>Tax Rate<sup>1</sup></b>		<b>0.1100</b>	<b>1.1700</b>		<b>0.6059</b>	<b>0.0383</b>	<b>0.0397</b>	<b>0.2500</b>	
2019	\$236,996,500.00	\$ 20,000,000.00	\$ 200,696	\$ 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	\$ 1,600,213	\$ 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	\$ 1,725,481	\$ 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
3033	\$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>		\$ 2,798,358	\$ 9,851,437	\$ 12,649,795	\$ 3,889,897	\$ 245,759	\$ 254,875	\$ 1,250,262	\$ 18,290,588
	<b>Difference</b>		\$ 0	\$ 19,912,918	\$ 19,912,918	\$ 11,523,968	\$ 728,070	\$ 755,078	\$ 5,109,643	\$ 38,029,678

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

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

**Table 3: Estimated Direct Ad Valorem Taxes without property tax incentives**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	LCISD I&S Tax Levy	LCISD M&O Tax Levy	LCISD M&O and I&S Tax Levies	Willacy County Tax Levy	Willacy Co. Hospital Dist. Tax Levy	Willacy Co. ESD Tax Levy	Willacy Co. Drainage Dist. #1 Tax Levy	Estimated Total Property Taxes
	<b>Tax Rate<sup>1</sup></b>		<b>0.1100</b>	<b>1.1700</b>		<b>0.6059</b>	<b>0.0383</b>	<b>0.0397</b>	<b>0.2500</b>	
2019	\$ 236,996,500.00	\$ 236,996,500	\$ 200,696	\$ 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	\$ 1,361,164	\$ 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	\$ 952,616	\$ 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	\$ 50,541	\$ 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
3033	\$ 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
	<b>Total</b>		\$ 2,798,358	\$ 29,764,355	\$ 32,562,714	\$ 15,413,866	\$ 973,829	\$ 1,009,953	\$ 6,359,905	\$ 56,320,266

<sup>1</sup>Tax 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 reasonably likely to generate, before the 25<sup>th</sup> 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.**

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

Board Findings of the Lyford Consolidated Independent School District

	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	2016	\$ 0	\$ 0	\$ 0	\$ 0
	2017	\$ 0	\$ 0	\$ 0	\$ 0
	2018	\$ 0	\$ 0	\$ 0	\$ 0
Limitation Period (10 Years)	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
Maintain Viable Presence (5 Years)	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
Additional Years as Required by 313.026(c)(1) (10 Years)	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?	<b>Yes</b>
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**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.**

**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:

- 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

Board Findings of the Lyford Consolidated Independent School District

- 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 Lyford Consolidated Independent School District hired consultants to review and verify the information in Application #1150. 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 Twenty 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. 32061072362) 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, 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.

*[Signature Page to Follow]*

Board Findings of the Lyford Consolidated Independent School District

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 Lyford Consolidated 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 Lyford Consolidated Independent School District.

Dated the 8<sup>th</sup> day of August, 2017.

LYFORD CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By:   
\_\_\_\_\_  
Alison Busse-Savage  
President, Board of Trustees

ATTEST:

By:   
\_\_\_\_\_  
Arnold Cortez  
Secretary, Board of Trustees

Findings and Order of the Lyford Consolidated Independent School District  
Board of Trustees under the Texas Economic Development Act on the  
Application Submitted by Las Majadas Wind Farm, LLC  
(Tax ID 32061072362) (Application # 1150)

**ATTACHMENT A**  
**Application of**  
**Las Majadas Wind Farm, LLC**

Application for Appraised Value Limitation  
On Qualified Property

Submitted to:  
Lyford Consolidated Independent School District



By:  
EDF Renewable Energy



Las Majadas Wind Farm, LLC.

August 15, 2016

**Application for Chapter 313  
Appraised Value Limitation by  
Las Majadas Wind Farm, LLC to  
Lyford CISD**

**August 15, 2016**

**Attachment 1**

See executed application attached.



# 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/](http://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/](http://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.

# Application for Appraised Value Limitation on Qualified Property

## 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)? .....  
0 **Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? .....
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**.

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.

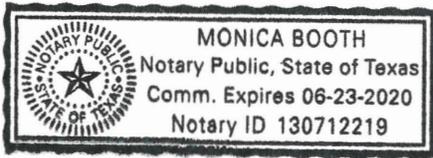
print here Eduardo Infante Superintendent
Print Name (Authorized School District Representative) Title
sign here Eduardo Infante 8.15.16
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here Matthew McCluskey Director of Development
Print Name (Authorized Company Representative (Applicant)) Title
sign here Matthew S. McCluskey 8/15/16
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the 15 day of August, 2016
Monica Booth
Notary Public in and for the State of Texas
My Commission expires: 06/23/2020

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.

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"> <li>a) Project vicinity</li> <li>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</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Existing property</li> <li>e) Land location within vicinity map</li> <li>f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> 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"> <li>a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone*</li> <li>c) order, resolution or ordinance establishing the reinvestment zone*</li> <li>d) guidelines and criteria for creating the zone*</li> </ul> <p><b>* To be submitted with application or before date of final application approval by school board</b></p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

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

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

**Attachment 3**

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

Not Applicable.

## Attachment 4

### *Detailed description of the project.*

***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.***

Las Majadas Wind Farm, LLC, "Las Majadas", is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project, Las Majadas Wind Farm. EDF Renewable Energy, the exclusive developer of Las Majadas, is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, biomass, biogas, and storage.

EDF Renewable Energy currently has many projects in development in across the United States and is evaluating other renewable energy project opportunities across the country.

Las Majadas Wind Farm, LLC was recently created for the purpose of interconnecting the Las Majadas wind project into the ERCOT market, and there are no existing 312 or 313 agreements in place for this project. Las Majadas is requesting an appraised value limitation from Lyford CISD for a proposed wind energy project using wind turbines and transmission located in Willacy County. The wind farm and it's associated infrastructure will be constructed within the Reinvestment Zone established by Willacy County, Texas. A map showing the location of the wind farm is included as Attachment 11a.

The wind farm will have an estimated capacity of 202 megawatts (MW). To construct the wind farm, Las Majadas will install an estimated 65 to 120 wind turbines all within Lyford CISD that will have an expected rated capacity of 1.7 to 3.0 MW. In addition to the wind turbine generating units, there will be an supporting electrical collection system and roads to be constructed and improved as necessary as well as overhead transmission lines, a collection substation to permit the interconnection and transmission of electricity generated by the wind turbines, and an operations and maintenance building constructed within the Project's boundary.

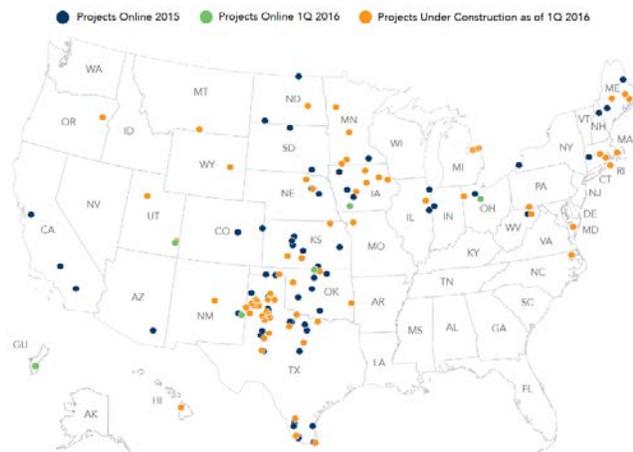
Construction of the wind farm is proposed to begin in January of 2018 and is expected to take approximately 11 months to complete, with an estimated commercial operations date by November 30, 2018 contingent upon favorable economics for the project.

While the wind regime for Las Majadas is very good, there are many favorable locations for wind projects that could be developed across the United States. Las Majadas has modeled its economics with an expectation that it will have a Limitation of Appraised Value Agreement with Lyford CISD. In today's competitive energy market, project investors and power purchasers require wind energy projects to have secured tax incentives, so that they can compete with wind projects across the U.S., and can locate projects in a wide variety of locations, should Las Majadas be unable to develop a competitive project in Texas that would generate returns sufficient to attract investment capital.

Wind farms are operating and under development in many states throughout the country. According to the American Wind Energy Association ("AWEA") there are now 74,512 MW of installed wind capacity in the United States and over 48,800 turbines. During the first quarter of 2016, the U.S. wind industry installed 520 MW of wind power capacity, the strongest first quarter for installations since 2012.

A graphic provided by AWEA is in its April market report demonstrates the national geographic diversity of projects in construction in 2016 alone.

### Map of Projects Online & Under Construction in 2016



American Wind Energy Association | U.S. Wind Industry First Quarter 2016 Market Report | AWEA Public Version

Clearly, locations for the development of wind projects are abundant and the Applicant can locate a project in a wide variety of locations across the United States should it be unable to develop a competitive project in Texas that would generate returns sufficient enough to attract investment capital.

EDF Renewable Energy, the developer of Las Majadas Wind Farm, LLC is a national and international developer of wind projects, and has operations in several regions and states within the contiguous United States. As construction is one of the most significant costs in creating wind farm, the physical improvements of the Las Majadas Wind power project, once completed, cannot be feasibly moved to another location. The wind turbines and supporting infrastructure are long-lived assets engineered and designed specifically for this project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive.

Las Majadas, however, was formed for the express purpose of developing a community sponsored wind farm that would help bring significant economic development to an area that is historically economically distressed. EDF Renewable identified Texas, and in particular Willacy County's Lyford CISD, for its strong wind resource, access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation. EDF Renewable Energy prefers to develop and build the proposed Las Majadas as described throughout this Application but should it not be granted the limitation, then it is likely that Las Majadas would not be viable economically compared to other projects in development across the US that are under development.

The Las Majadas project is still in the early stages of development, however, as of July 31, 2016, Las Majadas physical assets are valued at less than \$60,000. The entirety of this capital is comprised of non-qualified property, more specifically described as four (4) temporary NRG XHD 60 meter meteorological towers erected on the Project site made of galvanized steel tubular tilt up pole. Each meteorological tower pole is supported by four guy wires and contains wind test equipment made up of anemometers, barometric pressure unit, & an SD card recorder.

The Project has also invested in an Interconnecton Study with ERCOT, avian studies and in leasing land for the project.

Should the Appraised Value Limitation be granted, Las Majadas has created a development and investment plan that is capitalized to implement the project. Without such a limitation the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other states competing for similar wind projects.

## 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, 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  
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.

## Attachment 6

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

***5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.***

All of the planned Qualified Property for the Project is solely located in Lyford CISD and in no other school district.

## Attachment 7

### *Description of Qualified Investment*

- 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(7) (Tab 7).***

The Applicant is requesting an appraised value limitation on all of the property to be constructed or placed upon the real property within Lyford ISD, which is located in Willacy County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 120 wind turbines, ranging from an estimated 1.7 to 3.0 megawatts with a generating capacity of approximately 202 MW; up to 120 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 120 electric power transformers; electric poles and conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the 345kV Ajo to Rio Hondo transmission line located in eastern Willacy County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Qualified Investment Map Exhibit 11b.

During 2016, the Applicant obtained Reinvestment Zone designation and approval from Willacy County Commissioners Court for the proposed project area and areas of consideration.

None of the above mentioned property is covered under an existing County Appraisal District account number.

- 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).***

The Applicant intends to construct a building to house maintenance and operations, supplies, replacement parts and other miscellaneous related equipment. The Applicant will also be constructing an electrical sub-station facility for integration and transmission of power into the electrical grid.

## **Attachment 8**

### ***Description of Qualified Property***

Las Majadas Wind Farm, LLC plans to construct an estimated 202 MW wind farm in Willacy County, located entirely within Lyford CISD. Additional improvements of Qualified Property include:

- Approximately 65 to 120 Wind turbines ranging in size from 1.7 to 3.0 Megawatts,
- Approximately 65 to 120 Foundations for the Turbines,
- Several thousand feet of Transmission Collection System cable & Junction Boxes,
- Overhead Transmission and Interconnection infrastructure,
- Additional meteorological towers,
- All weather road work sloped for drainage,
- Operations and maintenance building, warehouse for storage of spare parts, and control systems necessary for commercial generation of electricity,
- An Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using approximately 65 to 120, 1.7 to 3.0 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Lyford CISD. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. Las Majadas intends to connect to 345kV Ajo to Rio Hondo transmission line internal to the Project, located in Lyford CISD. All of the infrastructure will remain within the project boundary and within the Reinvestment Zone per the map in Attachment 11b.

## Attachment 9

### *Description of Land*

The project area is rural, consisting mostly of cultivated fields and some grazing land. There are also some single family homes sparsely located in the project area, located primarily along the Farm-to-Market roads in the project area.

The following pages contain the descriptions of the property within the project area:

#### **Los Coyotes Subdivision Block Two (2)**

Lots One (1), Two (2), Three (3), Seven (7), Eight (8), Nine (9), Eleven (11), and Twenty (20).

#### **Sorenson Phase One Subdivision**

Lots Seven (7), Eight (8), Nine (9), Sixteen (16), Seventeen (17), Twenty (20), and Twenty-One (21).

#### **Sorenson Phase Two Subdivision**

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 27A (W ½), 27B, 28, 29-30, 31, 32, 32A, 32B, 32C, 33, 34, 35, 36, 37, 38, 39, 40, 41, 41A, 41B, 42B, 43, 44, 45 & 46

#### **Share #03**

Tract 1-4

#### **Share #04**

Tract 1, 1-A, 1-B, 1-E, & 2

#### **Share # 07**

Tract 2, 3, 5, 6, 6-A, 7, 8-1, 9, 9-A, 10, 10 (NW Crnr), 10-A, 11, 11B, 12, 13, 14, 14-D, 15, 15-A, 15-C, 17, 17A, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 (S ½), 34-A (N ½), 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 48-B, 49, 50-1, Lot 2, Tract 15-C-1

#### **Lot 4**

#### **Share #08**

Lot 1, Tract 31  
Lot 1 (INSIDE) & 2, Tracts 49 & 53  
Lot 2, Tracts 16, 33, 44  
Lot 3, Tracts 17, 32, 43, 48  
Lot 4, Tracts 15, 34, 42, 47  
Lot 5, Tracts 22, 35, 52  
Lot 5 thru 6 (E PT), Tracts 41 & 63  
Lot 6, Tracts 21, 36, 51  
Lot 7, Tracts 20, & 37  
Lot 8, Tracts 19, 38, & 39  
Lot 9, Tract 18  
Lot 17, Tract 50  
Lot C, Tract 26  
Tracts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 (E PT), 11, 12, 13(A), 14 (N PT) (Outside pt), 23, 24, 25, 27 (E ½), 27 (W ½), 28, 29, 30, 40, 46, 54, 55 (S OF PILOT CHANNEL), 56 (N PILOT CHANNEL), 57 (N OF PILOT CHANNEL), 58, 59, 59A, 59A-1, 60, 60A-60B (OUTSIDE & INSIDE PT), 60C, 66, 67, 68, 69, 70, 71, 72, 73, 74

#### **Share #09**

Tract 45

#### **Share #11**

Lot 1C  
Lot 9, Tract 5

**Share #12**

Lot 1  
Lot 2, Tracts 1 (E ½) & 2 (W ½)  
Lot 3A  
Lot 3B  
Lot 3C  
Lot 3D, Block 3-5  
Lot 3F, Block 3-7  
Lot 3H, Block 3, Lot 9  
Lot 3H-1, Block 3, Lot 9  
Lot 3I, Lot 3-10  
Lot 3E, Block 3-6  
Lot 3G, Block 3-8  
Lot 4, Tracts 1 & 2  
Lot 11-14, Share 3-3G-3I & Share 4  
Lot 15  
Lot 16  
Lots 2-3  
Lot 6  
Lot 7  
Lot 8  
Lot 9  
Lot 10  
Tracts 1, 1-A, 3-5 (A, B-1, B-2, C, D),  
6B-9

**Share #13**

Lot 7 & 8, Tracts, 30 & 31  
Tracts 16, 17, 18, 18A, 19, 19A, 20,  
21, 22, 23, 24, 25, 25B,  
Block A, Lots 1-2, 3, 4  
Block B, Lots 1,2, 3, 4, 4-1  
Block C (PT), Lot 1-9,  
Block D, Lot 3

**Share #14**

Lot 4, Tracts 8 (N PT), 9-9F (MID PT)  
Lot 6A, Tract 18-2  
Lot 1 (N ½)  
Lot 1-A-1  
Lot 1-C  
Lot 1-D  
Lot 1E-1F  
Lot 1-G  
Lot 1-I  
Lot 1-J

Lot 1-K  
Lot 1L  
Lot 1-M & 1-N  
Lot 1-O  
Lot 1-V-1  
Lot 2A & 2B  
Lot 3A-3E  
Lot 3-F  
Lot 3-H  
Lot 3-I  
Lot 3-J  
Lot 3-K  
Lot 4A  
Lot 4B  
Lot 5A  
Lot 5A-2  
Lot 5B  
Lot 5B-2  
Lot 5B-3  
Lot 5-C  
Lot 5-C1  
Lot 5-D  
Lot 5-D1  
Lot 5-E  
Lot 5F-1 (S PT)  
Lot 5F-2 (N PT)  
Lot 6  
Lot 6A  
Lot 6-C  
Lot A  
Lot B  
Lot C  
Lot D  
Lot E  
Lot E-1  
Lot F  
Lot F-1  
Lot G  
Lot 3 (All) – 4A  
Lot 4  
Lot 5  
Tracts 7, 8A-1, 10, 12, 13-1 & 15,  
14, 16, 17, 19, 19A, 22, 23, 20

**Share #15**

Lot A, Tract 27  
Lot D, Tract 24  
Lot F, Tract 20 (S PT)-21 (N ½ OF S ½)  
Lot 1-7, Tract 27, Part 8  
Lot 6, Tract 31-1  
Lot 8, Share B, Tract 10, 10A  
Lot 8-A, Tract 11  
Lot 8-D, Tract 2 (INT IN B-F)  
Lot 8-E, Tract 3  
Lot 9, Tract 14  
Lot 10, Tract 26  
Lot 13, Tracts 16, 18, 19  
Lot 22, North Part  
Tracts 1 & 32, 4 (PT), 7 & 29, 9, 12, 15, 30-11, 33, 34, 35, 37 (S W CRNR), 38, 39,40-3

**Share #25**

Lot D, Tract 1, 3, 4-A & 4-C, 4-B, 6, 17  
Tract 8, 9B, 10, 10A, 11B

**Share #34**

Lot 1-2, Tracts A, B, D, E,  
Lot 2, Tracts C & 1  
Lot 3, Tracts F, G  
Lot 4, Tracts 6, 7, H  
Lot 5, Track I  
Lot 7A, Tract K-1

**Share #45**

Lot 6A  
Lot 6B  
Lot 6C  
Lot 7A  
Lot 7B  
Lot 7C  
Lot 7D  
Tracts 20 (N PT OF W71 OF S 1/3), 21, 22(E PT OF S 1/3), 22A

**La Jarita Subdivision**

Block 1, Lots 1, 2, & 3

**Clark Subdivision**

Lots 1 & 2  
Lot 2  
Lot 3A  
Lot 3B (W PT)  
Lot 4 thru 5  
Lot 6A (W PT)  
Lot 6B  
Lot 11B, Tract 1  
Lot 12 thru 13 & 14A

**Craig, C E Subdivision**

Lots 1& 2  
Lots 3 & 4A  
Lot 3A  
Lot 4B-7

## Attachment 10

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

At present the Project has 4 temporary meteorological towers located on site that will not become part of the wind project when complete. A map reflecting their placement is provided in Attachment 11d.

The meteorological towers are valued at less than \$60,000. The entirety of this capital is comprised of non-qualified property, more specifically described as three (3) temporary NRG XSD 60 meter meteorological towers and one (1) NRG XHD 80 meter meteorological tower erected on the Project site that are mono pole type structures. Each meteorological tower pole is supported by four guy wires and contains wind test equipment made up of anemometers, barometric pressure unit, & an SD card recorder. The meteorological testing towers are being utilized to gather wind speed data, weather station data such as barometric pressure and air density. The following table below provides specific meteorological tower information:

Site ID	Height	Project Name	Business Unit	Region	State Name	County	Met Status	Commissioning Date	Latitude	Longitude
7850	60	<b>Las Majadas</b>	Development	USA_Own	Texas	Willacy	Active	10/25/2013	26.41334	-97.59193
7851	60	<b>Las Majadas</b>	Development	USA_Own	Texas	Willacy	Active	1/23/2016	26.38031	-97.57702
7852	60	<b>Las Majadas</b>	Development	USA_Own	Texas	Willacy	Active	1/25/2016	26.3686	-97.48069
7853	80	<b>Las Majadas</b>	Development	USA_Own	Texas	Willacy	Active	3/5/2016	26.36645	-97.52382

The testing towers are temporary and at this time have not yet been identified by the Willacy County Appraisal District for tax purposes.

**Attachment 11**

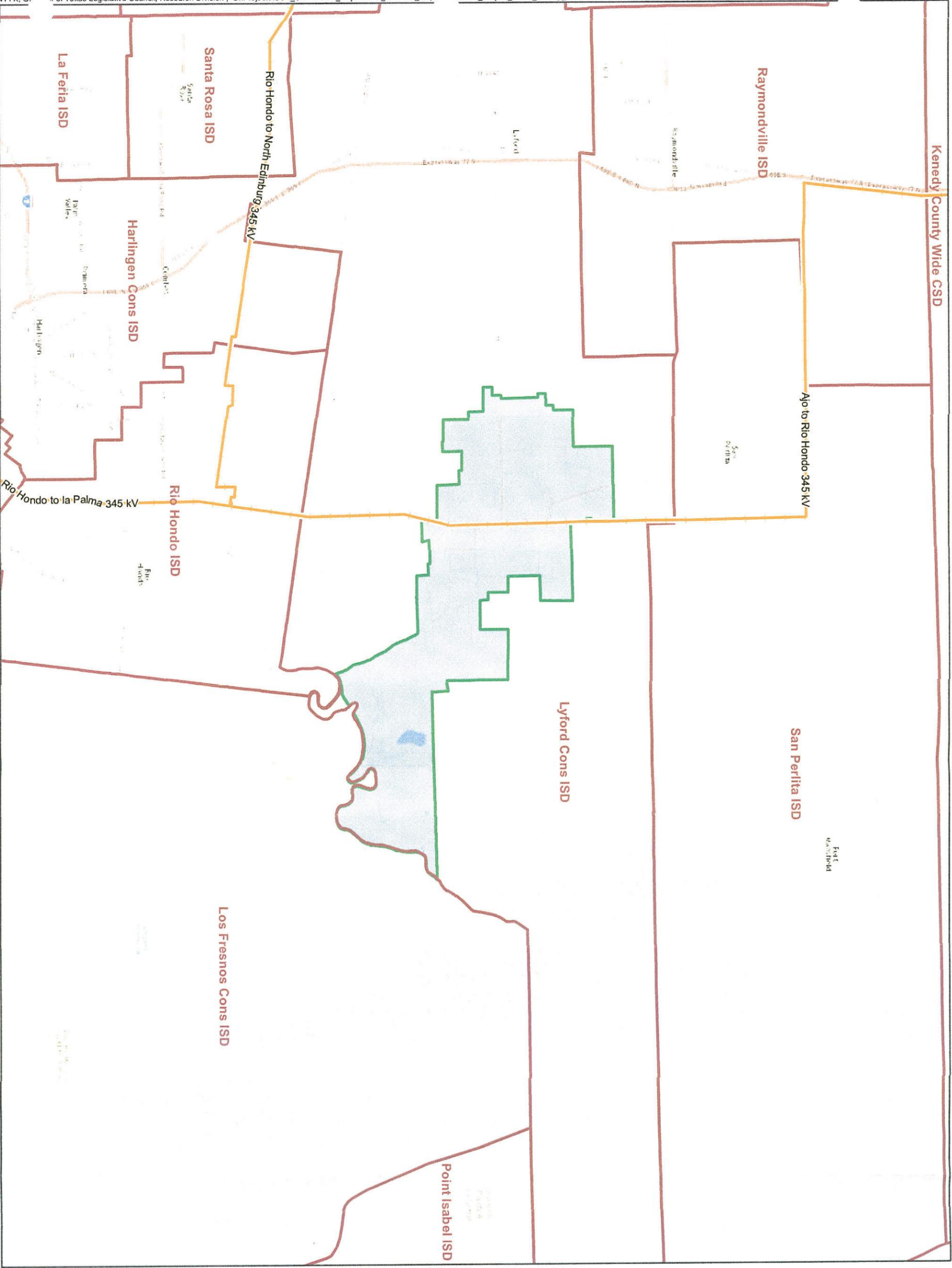
***Maps that clearly show:***

- 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***

**Attachment 11a**

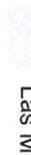
***a. Project vicinity***

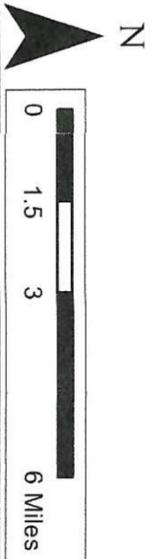
Please see attached map on the following page.



## Las Majadas Wind Farm, LLC Project within Vicinity

### Transmission Lines In-service

-  345 kv
-  Approved Reinvestment Zone Boundary
-  School District Boundary
-  Las Majadas Wind Project Area



Coordinate System: NAD 1983 UTM Zone 14N  
 Projection: Transverse Mercator  
 Datum: NAD 1983  
 Units: Meter

Reference Scale - 1:190,000  
 Date: 8/17/2016

Lyford Cons ISD 313 Application

August 15, 2016

**Re: Confidentiality of Maps Submitted with Las Majadas Wind Farm, LLC Chapter 313  
Appraised Value Limitation Application with Lyford CISD**

To Whom It May Concern:

As an attachment to the Las Majadas Wind Farm, LLC Chapter 313 Appraised Value Limitation Application submitted to Lyford CISD on August 15, 2016 ("Application"), we designated certain maps, the Qualified Investment and Qualified Property maps, attached thereto ("Maps") as "Confidential". We submit this letter to comply with the requirements by which both Lyford CISD and the Comptroller's office can withhold confidential or proprietary information from public release while the Application is pending. This letter is submitted to identify the documents for which confidentiality is sought and provide the specific reasons, stating why the material is believed to be confidential.

The Maps reflect the proposed specific site plan and the location of tangible personal property to be located on real property covered by the Application – all of which continue to be refined. In addition and at this time, disclosure of the Maps could be potentially valuable to our competitors and any disclosure could negatively impact the project. The Maps include commercially valuable geological or geophysical information regarding the exploration or development of natural resources and is protected from disclosure under section 552.113 of the Texas Government Code.

As required, the Maps were submitted as segregated in the application from other information in the application and specifically notated as "Confidential".

It is our intention to complete negotiations relating to both the location of the property and the tangible personal property during the time the Application is pending and understand that the Maps can only remain confidential and withheld from public release unless and until the governing body of the school district acts on the application.

To the extent you have any questions regarding this letter, please contact me for further clarification.

Sincerely,



Matt McCluskey  
Director, Development  
EDF Renewable Energy

**Attachment 11b**

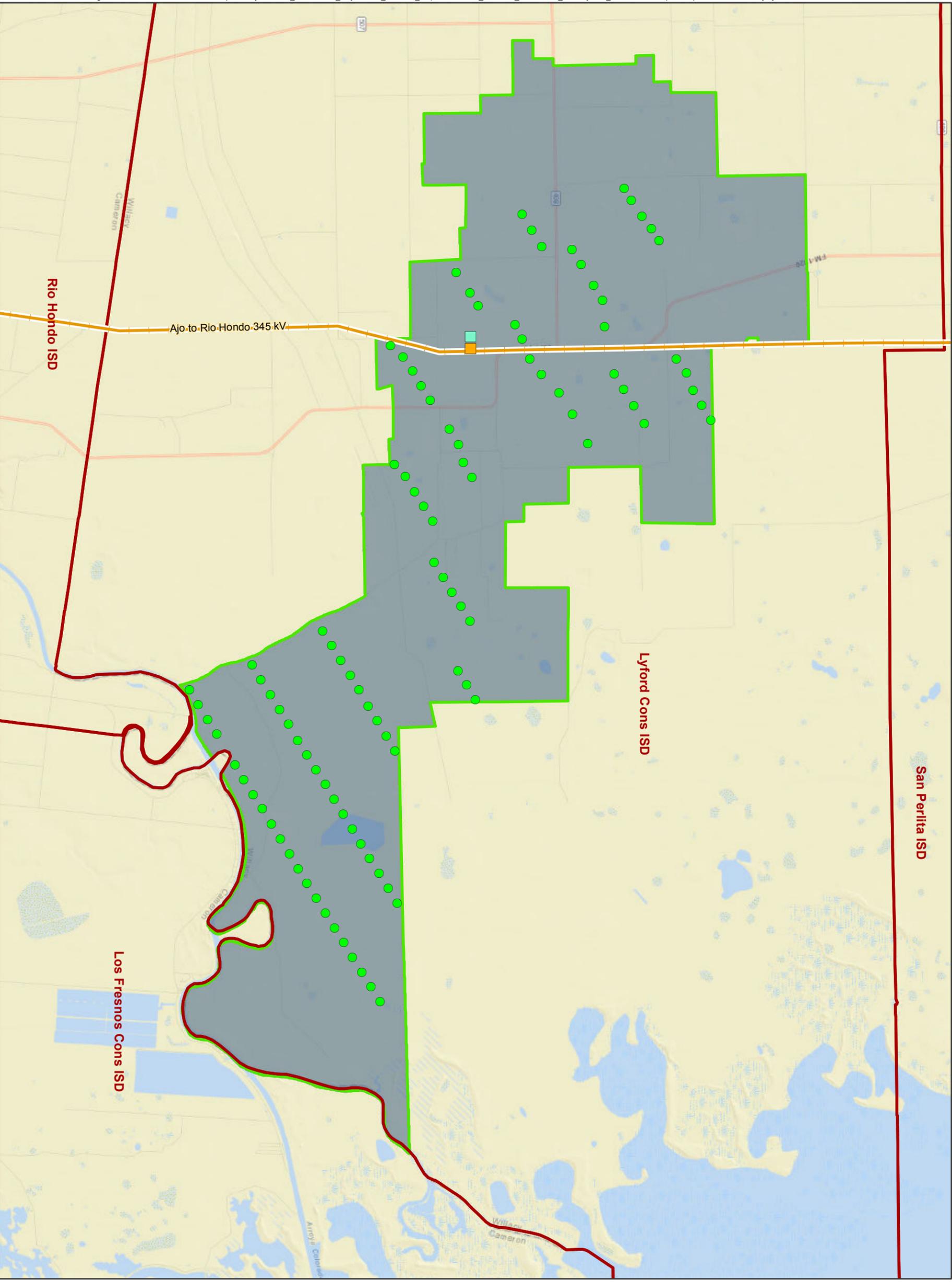
- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***

CONFIDENTIAL - FOR SEPERATE FILING



Note: Location of Qualified Investment and Qualified Property may change but will remain within the ISD and the Project Boundary.

Lyford Cons ISD 313 Application  
Confidential

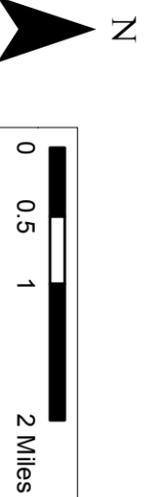


## Las Majadas Wind Farm, LLC Qualified Investment **CONFIDENTIAL**

- Indicative Turbine Layout
- Indicative O&M
- Indicative Substation

### Transmission Lines In-service

- 345 kV
- Approved Reinvestment Zone Boundary
- School District Boundary
- Las Majadas Wind Project Area



Coordinate System: NAD 1983 UTM Zone 14N  
Projection: Transverse Mercator  
Datum: NAD 1983  
Units: Meter

Reference Scale - 1:85,000  
Date: 8/17/2016

**Attachment 11c**

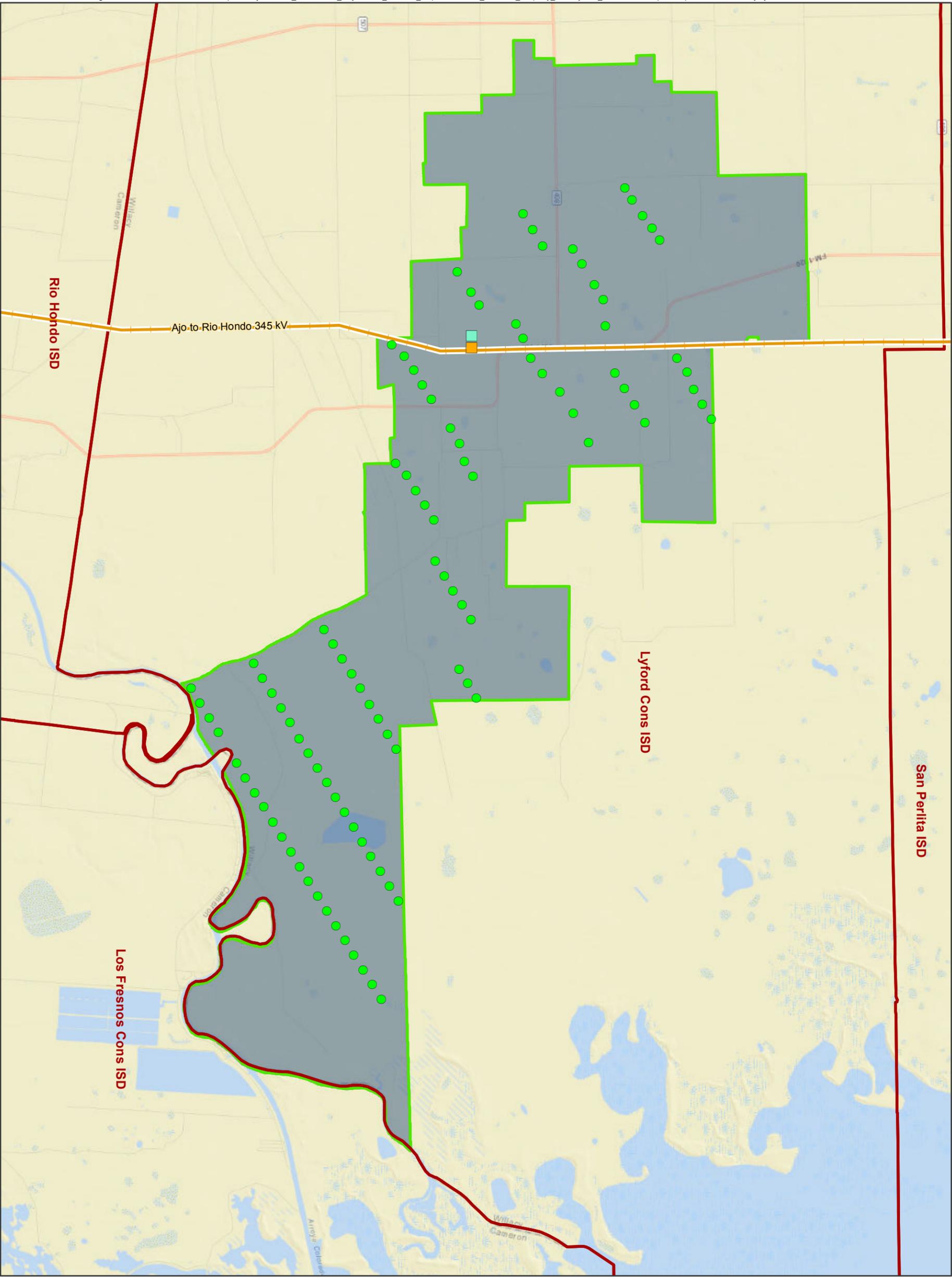
- c. Qualified property including location of new buildings or new improvements***

CONFIDENTIAL - FOR SEPERATE FILING



Note: Location of Qualified Investment and Qualified Property may change but will remain within the ISD and the Project Boundary.

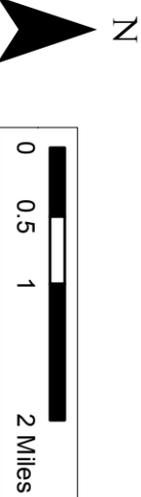
Lyford Cons ISD 313 Application  
Confidential



# Las Majadas Wind Farm, LLC Qualified Property CONFIDENTIAL

- Indicative Turbine Layout
- Indicative O&M
- Indicative Substation

- Transmission Lines In-service**
- 345 kV
  - Approved Reinvestment Zone Boundary
  - School District Boundary
  - Las Majadas Wind Project Area



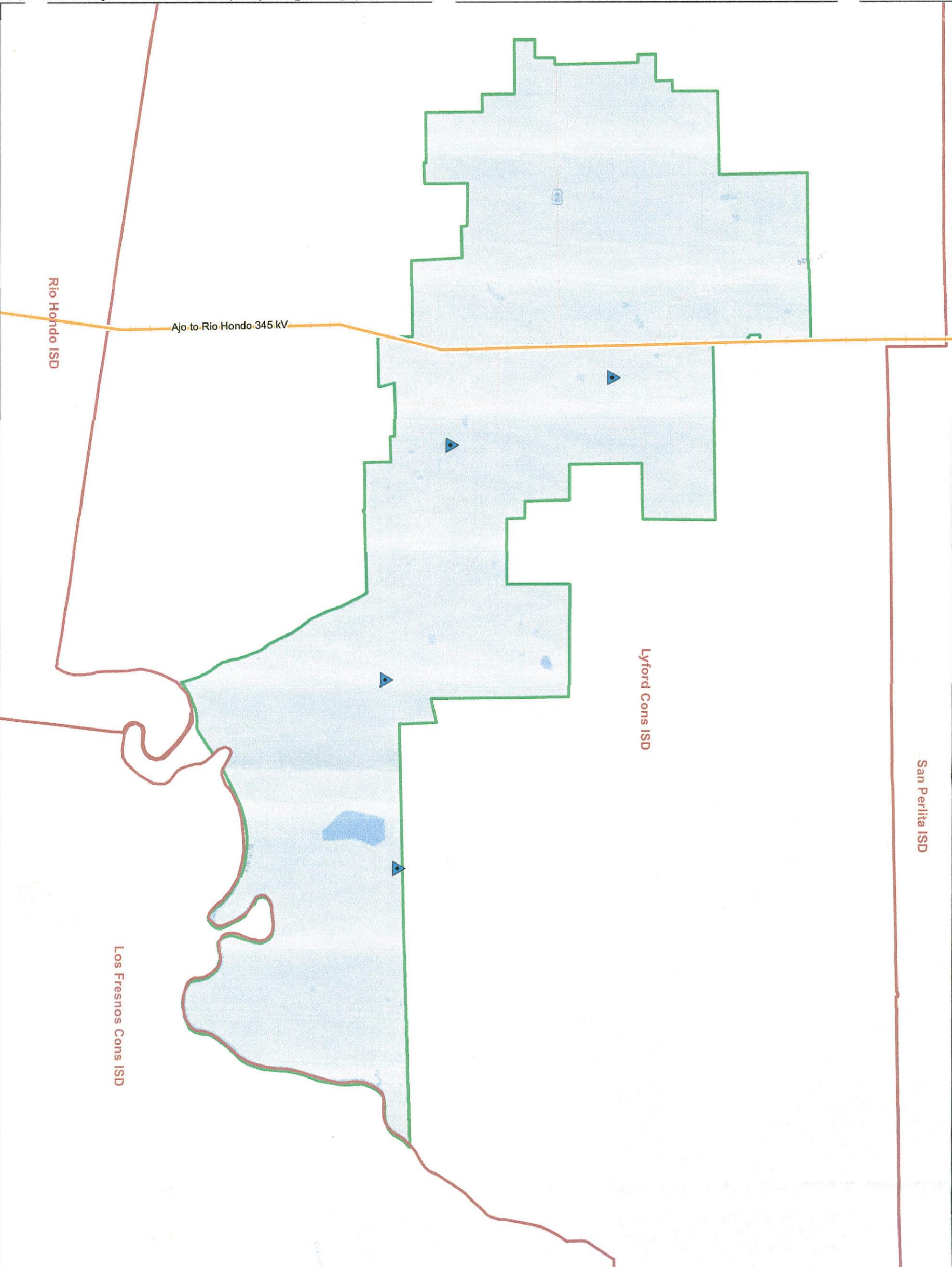
Coordinate System: NAD 1983 UTM Zone 14N  
Projection: Transverse Mercator  
Datum: NAD 1983  
Units: Meter

Reference Scale - 1:85,000  
Date: 8/17/2016

**Attachment 11d**

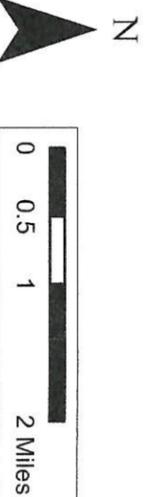
***d. Existing property***

Please see attached map on the following page.



## Las Majadas Wind Farm, LLC Existing/Non-Eligible Property

-  Existing Met Tower
- Transmission Lines In-service**
-  345 kv
-  Approved Reinvestment Zone Boundary
-  School District Boundary
-  Las Majadas Wind Project Area



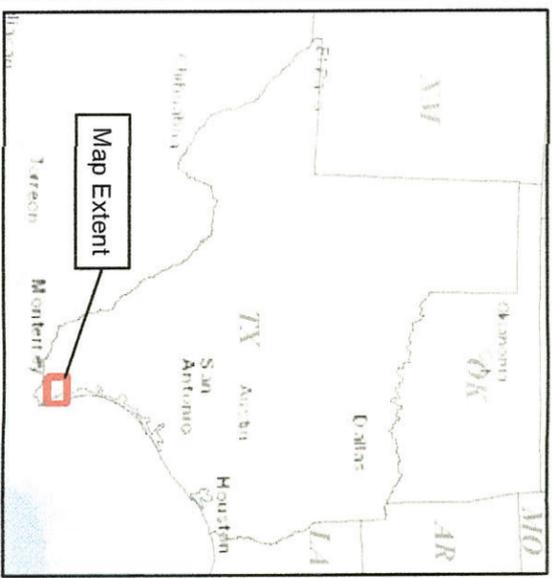
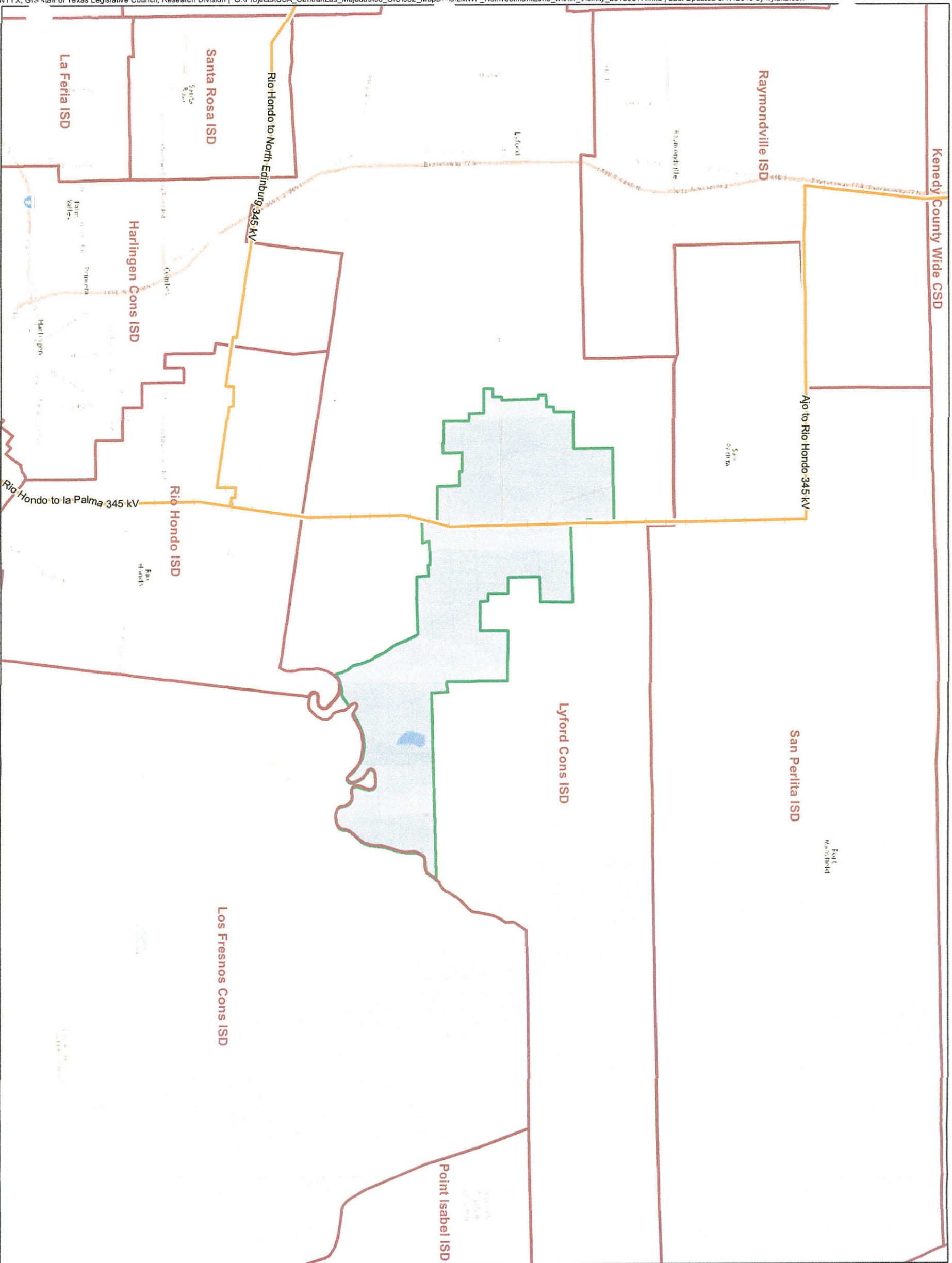
Coordinate System: NAD 1983 UTM Zone 14N  
 Projection: Transverse Mercator  
 Datum: NAD 1983  
 Units: Meter

Lyford Cons ISD 313 Application

**Attachment 11e**

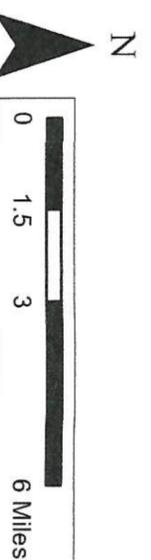
***e. Land location within vicinity map***

Please see attached map on the following page.



## Las Majadas Wind Farm, LLC Reinvestment Zone within Vicinity

- Transmission Lines In-service**
- 345 kv
  - Approved Reinvestment Zone Boundary
  - School District Boundary
  - Las Majadas Wind Project Area



Coordinate System: NAD 1983 UTM Zone 14N  
 Projection: Transverse Mercator  
 Datum: NAD 1983  
 Units: Meter

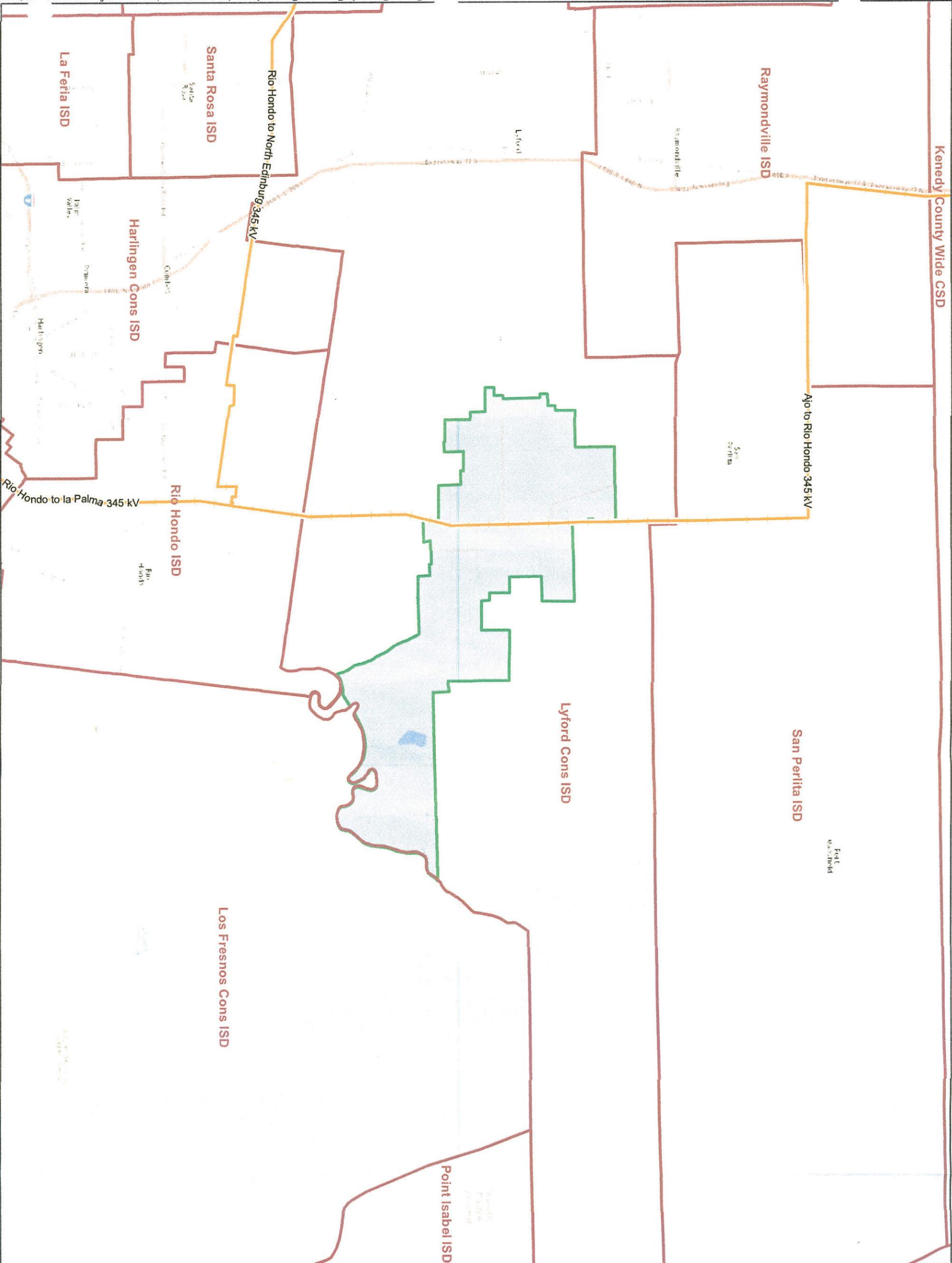
Lyford Cons ISD 313 Application

Reference Scale - 1:190,000  
 Date: 8/17/2016

**Attachment 11f**

- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

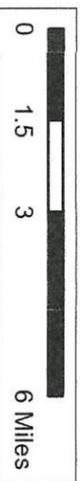
Please see attached map on the following page.



## Las Majadas Wind Farm, LLC Reinvestment Zone within Vicinity

### Transmission Lines In-service

- 345 kv
- Approved Reinvestment Zone Boundary
- School District Boundary
- Las Majadas Wind Project Area



Coordinate System: NAD 1983 UTM Zone 14N  
 Projection: Transverse Mercator  
 Datum: NAD 1983  
 Units: Meter

Reference Scale - 1:190,000

Lyford Cons ISD 313 Application

Date: 8/17/2016

**Attachment 12**

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

See attached waiver request below.



EDF Renewable Energy  
4700 W. Sam Houston Pkwy. N #25  
Houston, Texas 77041

October 31, 2016

Mr. Eduardo Infante, Superintendent  
Lyford Consolidated Independent School District  
P O Box 220  
Lyford, TX 78569

Re: Ch-313 Application for Appraised Value Limitation – Job Waiver Request

Dear Mr. Infante,

This letter is to advise you that Las Majadas Wind Farm, LLC is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement.

House Bill 1470 altered the jobs requirement by adding Section 313-025 (f-1) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. Las Majadas Wind Farm, LLC, requests that Lyford CISD's Board of Trustees make such a finding, and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately six (6) permanent jobs.

As background information on the creation of the full-time jobs by wind energy projects, these types of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a wind project once construction operations cease and commercial operations begin. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. The industry standard for permanent employment is one full-time employee for every fifteen to twenty (15-20) turbines, although this number varies depending on the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the wind project operations from offsite locations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt McCluskey", with a large, stylized flourish at the end.

Matt McCluskey  
Director of Development  
EDF Renewable Energy

Attachment 13

*Calculation of Wage Requirements-Willacy County*

**110% of County Average Weekly Wage for All Jobs**

2016	1Q	\$567
2015	2Q	\$589
2015	3Q	\$599
2015	4Q	\$665

\$2,420/4= \$605.00 average weekly salary  
X 1.10 (110%)  
**\$665.50** 110% of County Average Weekly Wage for all jobs

**110% of County Average Weekly Wage for Manufacturing Jobs in County**

2016	1Q	\$558
2015	2Q	\$602
2015	3Q	\$528
2015	4Q	\$634

\$2,322/4= \$580.50 average weekly salary  
X 1.10 (110%)  
**\$638.55** 110% of County Average Weekly Wage for Manufacturing

*Jobs*

**110% of County Average Weekly Wage for Manufacturing Jobs in Region (Lower Rio Grande Valley)**

\$16.17 per hour  
X 40 hr. per week  
\$646.80 average weekly salary

\$646.80 average weekly salary  
X 1.10 (110%)  
\$711.48  
\$711.48  
X 52 weeks  
**\$36,996.96** 110% of County Average Weekly Wage for Manufacturing Jobs in Region

**2015 Manufacturing Average Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
<b>Texas</b>	<b>\$24.41</b>	<b>\$50,778</b>
<a href="#">1. Panhandle Regional Planning Commission</a>	\$20.64	\$42,941
<a href="#">2. South Plains Association of Governments</a>	\$17.50	\$36,408
<a href="#">3. NORTEX Regional Planning Commission</a>	\$23.28	\$48,413
<a href="#">4. North Central Texas Council of Governments</a>	\$25.03	\$52,068
<a href="#">5. Ark-Tex Council of Governments</a>	\$18.46	\$38,398
<a href="#">6. East Texas Council of Governments</a>	\$19.84	\$41,270
<a href="#">7. West Central Texas Council of Governments</a>	\$19.84	\$41,257
<a href="#">8. Rio Grande Council of Governments</a>	\$18.32	\$38,109
<a href="#">9. Permian Basin Regional Planning Commission</a>	\$25.18	\$52,382
<a href="#">10. Concho Valley Council of Governments</a>	\$18.80	\$39,106
<a href="#">11. Heart of Texas Council of Governments</a>	\$21.41	\$44,526
<a href="#">12. Capital Area Council of Governments</a>	\$29.98	\$62,363
<a href="#">13. Brazos Valley Council of Governments</a>	\$18.78	\$39,057
<a href="#">14. Deep East Texas Council of Governments</a>	\$17.30	\$35,993
<a href="#">15. South East Texas Regional Planning Commission</a>	\$30.41	\$63,247
<a href="#">16. Houston-Galveston Area Council</a>	\$26.44	\$54,985
<a href="#">17. Golden Crescent Regional Planning Commission</a>	\$23.73	\$49,361
<a href="#">18. Alamo Area Council of Governments</a>	\$19.96	\$41,516
<a href="#">19. South Texas Development Council</a>	\$15.87	\$33,016
<a href="#">20. Coastal Bend Council of Governments</a>	\$25.97	\$54,008
<b><a href="#">21. Lower Rio Grande Valley Development Council</a></b>	<b>\$16.17</b>	<b>\$33,634</b>
<a href="#">22. Texoma Council of Governments</a>	\$19.04	\$39,595
<a href="#">23. Central Texas Council of Governments</a>	\$18.04	\$37,533
<a href="#">24. Middle Rio Grande Development Council</a>	\$22.24	\$46,263

Source: Texas Occupational Employment and Wages

Data published: July 2016

Data published annually, next update will be July 31, 2017

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.

# Quarterly Employment and Wages (QCEW)

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## I.CODETITLE

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$583
2015	2nd Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$589
2015	3rd Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$599
2015	4th Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$665
2016	1st Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$567
2016	1st Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$558
2015	4th Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$634
2015	3rd Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$528
2015	2nd Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$602
2015	1st Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$681

# Quarterly Employment and Wages (QCEW)

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 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2016	1st Qtr	Lower Rio Grande	Total All	31	2	31-33	Manufacturing	\$750

**Attachment 14**

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

Schedule A1 - Total Investment for Economic Impact (through the Qualifying Time Period)

					PROPERTY INVESTMENT AMOUNTS (Estimated Investment in each year. Do not put cumulative totals.)				
					Column A	Column B	Column C	Column D	Column E
					New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year	School Year (TTP1-TTP2)	Tax Year (Fill in actual tax year YYYY)	New Investment made after filing complete application with district, but before final board approval of application	Not eligible to become Qualified Property				
Investment made after final board approval of tax year and before Jan. 1 of first complete tax year of qualifying time period	Year	Year preceding the first year of the qualifying time period (assuming no deferrals of qualifying time period)	2017	Investment made after filing complete application with district, but before final board approval of application					
Complete tax years of qualifying time period	QTP1	2018-2019	2018	Investment made after filing complete application with district, but before final board approval of application					
	QTP2	2019-2020	2019	Investment made after filing complete application with district, but before final board approval of application					
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]					\$ 262,540,000.00	0.00	60,000.00	0.00	\$ 262,600,000.00
Total Qualified Investment (sum of green cells)					\$ 262,600,000.00		Enter amounts from TOTAL row above in Schedule A2		

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

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

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

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 31.3.02(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property. Is used to maintain, refurbish, renovate, modify or upgrade existing property, or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

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

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

PROPERTY INVESTMENT AMOUNTS (Estimated Investment in each year. Do not put cumulative totals.)					Column E		
Year	School Year (1713-1717)	Tax Year (fill in actual tax year 1717)	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 nonexpendable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E Total Investment (A+B+C+D)
Total Investment from Schedule A1*			282,540,000.00	-	60,000.00	-	282,600,000.00
Each year prior to start of value limitation period**							
0	2017-2018	2017					
1	2018-2019	2018	282,540,000.00				282,540,000.00
1	2019-2020	2019					
2	2020-2021	2020					
3	2021-2022	2021					
4	2022-2023	2022					
5	2023-2024	2023					
6	2024-2025	2024					
7	2025-2026	2025					
8	2026-2027	2026					
9	2027-2028	2027					
10	2028-2029	2028					
Total Investment made through limitation			282,540,000.00	-	60,000.00	-	282,600,000.00
Continue to maintain viable presence							
11	2029-2030	2029					
12	2030-2031	2030					
13	2031-2032	2031					
14	2032-2033	2032					
15	2033-2034	2033					
16	2034-2035	2034					
17	2035-2036	2035					
18	2036-2037	2036					
19	2037-2038	2037					
20	2038-2039	2038					
21	2039-2040	2039					
22	2040-2041	2040					
23	2041-2042	2041					
24	2042-2043	2042					
25	2043-2044	2043					

\* All investments made through the qualifying time  
 \*\* Only investment made during deferrals of the start of the limitation / after the end of qualification time  
 \*\*\* If your qualifying time period will overlap your value limitation period, do not also include investment made during the overlap. Only include investments/years that were not captured on Schedule A1.  
 For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.  
 Column A: This represents the total dollar amount of planned Only tangible personal property that is specifically  
 Column B: The total dollar amount of planned investment  
 Column C: 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.  
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

	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 18S after all reductions	Final taxable value for M&O after all reductions
Pre-Year	0	2017-2018	2017						
Qualified Investment Period	1	2018-2019	2018	N/A	\$ -	\$ 249,470,000.00	\$ -	\$ -	\$ -
	1	2019-2020	2019	N/A	-	\$ 236,996,500.00	-	\$ 249,470,000.00	\$ 20,000,000.00
	2	2020-2021	2020	N/A	-	\$ 225,146,675.00	-	\$ 236,996,500.00	\$ 20,000,000.00
	3	2021-2022	2021	N/A	-	\$ 213,889,341.25	-	\$ 225,146,675.00	\$ 20,000,000.00
	4	2022-2023	2022	N/A	-	\$ 203,194,874.19	-	\$ 213,889,341.25	\$ 20,000,000.00
	5	2023-2024	2023	N/A	-	\$ 193,035,130.48	-	\$ 203,194,874.19	\$ 20,000,000.00
	6	2024-2025	2024	N/A	-	\$ 183,383,373.95	-	\$ 193,035,130.48	\$ 20,000,000.00
	7	2025-2026	2025	N/A	-	\$ 174,214,205.26	-	\$ 183,383,373.95	\$ 20,000,000.00
	8	2026-2027	2026	N/A	-	\$ 165,503,494.99	-	\$ 174,214,205.26	\$ 20,000,000.00
	9	2027-2028	2027	N/A	-	\$ 157,228,320.24	-	\$ 165,503,494.99	\$ 20,000,000.00
Value Limitation Period	10	2028-2029	2028	N/A	-	\$ 149,366,904.23	-	\$ 157,228,320.24	\$ 20,000,000.00
	11	2029-2030	2029	N/A	-	\$ 141,898,559.02	-	\$ 149,366,904.23	\$ 149,366,904.23
	12	2030-2031	2030	N/A	-	\$ 134,803,631.07	-	\$ 141,898,559.02	\$ 141,898,559.02
	13	2031-2032	2031	N/A	-	\$ 128,063,449.52	-	\$ 134,803,631.07	\$ 134,803,631.07
	14	2032-2033	2032	N/A	-	\$ 121,660,277.04	-	\$ 128,063,449.52	\$ 128,063,449.52
	15	2033-2034	2033	N/A	-	\$ 115,577,263.19	-	\$ 121,660,277.04	\$ 121,660,277.04
	16	2034-2035	2034	N/A	-	\$ 109,798,400.03	-	\$ 115,577,263.19	\$ 115,577,263.19
	17	2035-2036	2035	N/A	-	\$ 104,308,480.03	-	\$ 109,798,400.03	\$ 109,798,400.03
	18	2036-2037	2036	N/A	-	\$ 99,093,056.03	-	\$ 104,308,480.03	\$ 104,308,480.03
	19	2037-2038	2037	N/A	-	\$ 94,138,403.22	-	\$ 99,093,056.03	\$ 99,093,056.03
Additional years for 25 year economic impact as required by 313.026(c)(1)	20	2038-2039	2038	N/A	-	\$ 89,431,483.06	-	\$ 94,138,403.22	\$ 89,431,483.06
	21	2039-2040	2039	N/A	-	\$ 84,959,908.91	-	\$ 89,431,483.06	\$ 89,431,483.06
	22	2040-2041	2040	N/A	-	\$ 80,711,913.46	-	\$ 84,959,908.91	\$ 84,959,908.91
	23	2041-2042	2041	N/A	-	\$ 76,676,317.79	-	\$ 80,711,913.46	\$ 80,711,913.46
	24	2042-2043	2042	N/A	-	\$ 72,842,501.90	-	\$ 76,676,317.79	\$ 76,676,317.79
	25	2043-2044	2043	N/A	-	\$ 69,200,376.81	-	\$ 72,842,501.90	\$ 72,842,501.90

Notes:  
ket Mar  
Only include market value for eligible property on this schedule.

**Schedule C: Employment Information**

Date August 15, 2016  
 Applicant Name EDF Renewable Energy  
 ISD Name Lyford CISD

Form 50-296A  
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Pre-Year	0	2017-2018	2017						
Qualified Investment Period	1	2018-2019	2018	85 FTE	\$ 24,502.00	N/A	0	N/A	
	1	2019-2020	2019			0	6	\$ 36,996.96	
	2	2020-2021	2020			0	6	\$ 36,996.96	
	3	2021-2022	2021			0	6	\$ 36,996.96	
	4	2022-2023	2022			0	6	\$ 36,996.96	
	5	2023-2024	2023			0	6	\$ 36,996.96	
	6	2024-2025	2024			0	6	\$ 36,996.96	
	7	2025-2026	2025			0	6	\$ 36,996.96	
	8	2026-2027	2026			0	6	\$ 36,996.96	
	9	2027-2028	2027			0	6	\$ 36,996.96	
10	2028-2029	2028			0	6	\$ 36,996.96		
Years Following Value Limitation Period	11 through 25	2029-2044	2029-2043			0	6	\$ 36,996.96	

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

Date August 15, 2016  
 Applicant Name EDF Renewable Energy  
 ISD Name Lyford CISD

**Schedule D: Other Incentives (Estimated)**

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:					
	City:					
	Other:					
	County: Willacy County	2019	10 years	\$ 1,591,093.40	100% for 10 yrs with payment-in-lieu of tax yrs 1-10	
Tax Code Chapter 312	County: Willacy County					
	City: N/A					
	Other: Willacy Hospital	2019	10 years	\$ 100,523.28	100% for 10 yrs with payment-in-lieu of tax yrs 1-10	
	Other: Willacy EMS	2019	10 years	\$ 104,252.20	100% for 10 yrs with payment-in-lieu of tax yrs 1-10	
Local Government Code Chapters 380/381	Other: Drainage # 1	2019	10 years	\$ 656,500.00	100% for 10 yrs with payment-in-lieu of tax yrs 1-10	
	County:					
	City:					
	Other:					
Freepport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
TOTAL				\$ 2,452,368.88	100% for 10 yrs with payment-in-lieu of tax yrs 1-10	

Additional information on incentives for this project:

**Attachment 15**

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

Pending, not attached.

## Attachment 16

### ***Description of Reinvestment or Enterprise Zone, including:***

- a. Evidence that the area qualifies as an 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\****

***“\*” To be submitted before date of final application approval by school board***

**Attachment 16a**

***a. Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office***

Not Applicable.

**Attachment 16b**

***b. Legal description of reinvestment zone***

Please find on the attached page.

Las Majadas Reinvestment Zone #1 is comprised of the following parcels.

**Los Coyotes Subdivision Block**

**Two (2)**

Lots One (1), Two (2), Three (3), Seven (7), Eight (8), Nine (9), Eleven (11), and Twenty (20).

**Sorenson Phase One Subdivision**

Lots Seven (7), Eight (8), Nine (9), Sixteen (16), Seventeen (17), Twenty (20), and Twenty-One (21).

**Sorenson Phase Two Subdivision**

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 27A (W ½), 27B, 28, 29-30, 31, 32, 32A, 32B, 32C, 33, 34, 35, 36, 37, 38, 39, 40, 41, 41A, 41B, 42B, 43, 44, 45 & 46

**Share #03**

Tract 1-4

**Share #04**

Tract 1, 1-A, 1-B, 1-E, & 2

**Share # 07**

Tract 2, 3, 5, 6, 6-A, 7, 8-1, 9, 9-A, 10, 10 (NW Crnr), 10-A, 11, 11B, 12, 13, 14, 14-D, 15, 15-A, 15-C, 17, 17A, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 (S ½), 34-A (N ½), 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 48-B, 49, 50-1,  
Lot 2, Tract 15-C-1  
Lot 4

**Share #08**

Lot 1, Tract 31  
Lot 1 (INSIDE) & 2, Tracts 49 & 53

Lot 2, Tracts 16, 33, 44  
Lot 3, Tracts 17, 32, 43, 48  
Lot 4, Tracts 15, 34, 42, 47  
Lot 5, Tracts 22, 35, 52  
Lot 5 thru 6 (E PT), Tracts 41 & 63  
Lot 6, Tracts 21, 36, 51  
Lot 7, Tracts 20, & 37  
Lot 8, Tracts 19, 38, & 39  
Lot 9, Tract 18  
Lot 17, Tract 50  
Lot C, Tract 26  
Tracts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 (E PT), 11, 12, 13(A), 14 (N PT) (Outside pt), 23, 24, 25, 27 (E ½), 27 (W ½), 28, 29, 30, 40, 46, 54, 55 (S OF PILOT CHANNEL), 56 (N PILOT CHANNEL), 57 (N OF PILOT CHANNEL), 58, 59, 59A, 59A-1, 60, 60A-60B (OUTSIDE & INSIDE PT), 60C, 66, 67, 68, 69, 70, 71, 72, 73, 74

**Share #09**

Tract 45

**Share #11**

Lot 1C  
Lot 9, Tract 5

**Share #12**

Lot 1  
Lot 2, Tracts 1 (E ½) & 2 (W ½)  
Lot 3A  
Lot 3B  
Lot 3C  
Lot 3D, Block 3-5  
Lot 3F, Block 3-7  
Lot 3H, Block 3, Lot 9  
Lot 3H-1, Block 3, Lot 9  
Lot 3I, Lot 3-10  
Lot 3E, Block 3-6  
Lot 3G, Block 3-8  
Lot 4, Tracts 1 & 2  
Lot 11-14, Share 3-3G-3I & Share 4  
Lot 15  
Lot 16  
Lots 2-3  
Lot 6  
Lot 7  
Lot 8  
Lot 9  
Lot 10  
Tracts 1, 1-A, 3-5 (A, B-1, B-2, C, D), 6B-9

**Share #13**

Lot 7 & 8, Tracts, 30 & 31  
Tracts 16, 17, 18, 18A, 19, 19A,  
20, 21, 22, 23, 24, 25, 25B,  
Block A, Lots 1-2, 3, 4  
Block B, Lots 1,2, 3, 4, 4-1  
Block C (PT), Lot 1-9,  
Block D, Lot 3

**Share #14**

Lot 4, Tracts 8 (N PT), 9-9F (MID PT)  
Lot 6A, Tract 18-2  
Lot 1 (N ½)  
Lot 1-A-1  
Lot 1-C  
Lot 1-D  
Lot 1E-1F  
Lot 1-G  
Lot 1-I  
Lot 1-J  
Lot 1-K  
Lot 1L  
Lot 1-M & 1-N  
Lot 1-O  
Lot 1-V-1  
Lot 2A & 2B  
Lot 3A-3E  
Lot 3-F  
Lot 3-H  
Lot 3-I  
Lot 3-J  
Lot 3-K  
Lot 4A  
Lot 4B  
Lot 5A  
Lot 5A-2  
Lot 5B  
Lot 5B-2  
Lot 5B-3  
Lot 5-C  
Lot 5-C1  
Lot 5-D  
Lot 5-D1  
Lot 5-E  
Lot 5F-1 (S PT)  
Lot 5F-2 (N PT)  
Lot 6  
Lot 6A  
Lot 6-C  
Lot A  
Lot B  
Lot C

Lot D  
Lot E  
Lot E-1  
Lot F  
Lot F-1  
Lot G  
Lot 3 (All) – 4A  
Lot 4  
Lot 5  
Tracts 7, 8A-1, 10, 12, 13-1 & 15,  
14, 16, 17, 19, 19A, 22, 23, 20

**Share #15**

Lot A, Tract 27  
Lot D, Tract 24  
Lot F, Tract 20 (S PT)-21 (N ½ OF  
S ½)  
Lot 1-7, Tract 27, Part 8  
Lot 6, Tract 31-1  
Lot 8, Share B, Tract 10, 10A  
Lot 8-A, Tract 11  
Lot 8-D, Tract 2 (INT IN B-F)  
Lot 8-E, Tract 3  
Lot 9, Tract 14  
Lot 10, Tract 26  
Lot 13, Tracts 16, 18, 19  
Lot 22, North Part  
Tracts 1 & 32, 4 (PT), 7 & 29, 9,  
12, 15, 30-11, 33, 34, 35, 37 (S W  
CRNR), 38, 39,40-3

**Share #25**

Lot D, Tract 1, 3, 4-A & 4-C, 4-B,  
6, 17  
Tract 8, 9B, 10, 10A, 11B

**Share #34**

Lot 1-2, Tracts A, B, D, E,  
Lot 2, Tracts C & 1  
Lot 3, Tracts F, G  
Lot 4, Tracts 6, 7, H  
Lot 5, Track I  
Lot 7A, Tract K-1

**Share #45**

Lot 6A  
Lot 6B  
Lot 6C  
Lot 7A  
Lot 7B  
Lot 7C  
Lot 7D  
Tracts 20 (N PT OF W71 OF S  
1/3), 21, 22(E PT OF S 1/3), 22A

**La Jarita Subdivision**

Block 1, Lots 1, 2, & 3

**Clark Subdivision**

Lots 1 & 2  
Lot 2  
Lot 3A  
Lot 3B (W PT)  
Lot 4 thru 5  
Lot 6A (W PT)  
Lot 6B  
Lot 11B, Tract 1  
Lot 12 thru 13 & 14A

**Craig, C E Subdivision**

Lots 1& 2  
Lots 3 & 4A  
Lot 3A  
Lot 4B-7

**Attachment 16c**

***Order, resolution or ordinance establishing the reinvestment zone\****

Please find on the attached page.

**RESOLUTION OF THE COMMISSIONERS COURT  
OF WILLACY COUNTY, TEXAS  
DESIGNATING LAS MAJADAS REINVESTMENT ZONE #1**

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN WILLACY COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.**

*WHEREAS*, the Commissioners Court of Willacy County, Texas desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code § 312.001, *et seq.*), and the Guidelines and Criteria of the Commissioners Court of Willacy County for Granting a Tax Abatement in Reinvestment Zone Created in Willacy County, Texas (the “Guidelines”); and

*WHEREAS*, on 28<sup>th</sup> day of April, 2016, a hearing before the Commissioners Court of Willacy County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Willacy County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

*WHEREAS*, the Commissioners Court of Willacy County, Texas at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

*WHEREAS*, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

***BE IT RESOLVED BY THE COMMISSIONERS COURT OF WILLACY COUNTY, TEXAS:***

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Commissioners Court of Willacy County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment

zone; and

- (b) That the boundaries of the reinvestment zone should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map on Exhibit "B", the map shall control; and,
- (c) That creation of the reinvestment zone will result in benefits to Willacy County, Texas and to land included in the zone and that the improvements sought are feasible and practical; and
- (d) The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Willacy County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Willacy County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Willacy County Commissioner's Court hereby creates Las Majadas Reinvestment Zone #1, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to as Las Majadas Reinvestment Zone #1.

SECTION 4. That Las Majadas Reinvestment Zone #1 shall take effect on this date, and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

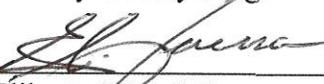
SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Willacy County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 28<sup>th</sup> day of April, 2016

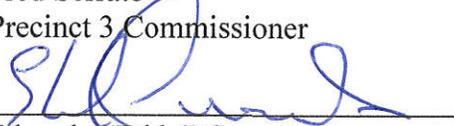
**Willacy County Commissioners Court**

  
\_\_\_\_\_  
Aurelio "Keter" Guerra  
Willacy County Judge

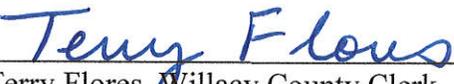
  
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Eliberto "Beto" Guerra  
Precinct 1 Commissioner

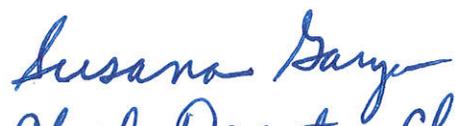
  
\_\_\_\_\_  
Oscar Deluna  
Precinct 2 Commissioner

  
\_\_\_\_\_  
Fred Serrato  
Precinct 3 Commissioner

  
\_\_\_\_\_  
Eduardo "Eddy" Gonzales  
Precinct 4 Commissioner

Attest:

  
\_\_\_\_\_  
Terry Flores, Willacy County Clerk

By:   
Chief Deputy Clerk

**EXHIBIT A**  
**LEGAL DESCRIPTION OF**  
**LAS MAJADAS REINVESTMENT ZONE #1**

Las Majadas Reinvestment Zone #1 is comprised of the following parcels. In the event of discrepancy between this Exhibit "A" and the attached map on Exhibit "B", Exhibit "B" shall control; provided however, the Willacy Reinvestment Zone #1 shall in no way be deemed to include any portion of any municipality located within the designate area.

**Los Coyotes Subdivision Block Two (2)**

Lots One (1), Two (2), Three (3), Seven (7), Eight (8), Nine (9), Eleven (11), and Twenty (20).

**Sorenson Phase One Subdivision**

Lots Seven (7), Eight (8), Nine (9), Sixteen (16), Seventeen (17), Twenty (20), and Twenty-One (21).

**Sorenson Phase Two Subdivision**

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 27A (W ½), 27B, 28, 29-30, 31, 32, 32A, 32B, 32C, 33, 34, 35, 36, 37, 38, 39, 40, 41, 41A, 41B, 42B, 43, 44, 45 & 46

**Share #03**

Tract 1-4

**Share #04**

Tract 1, 1-A, 1-B, 1-E, & 2

**Share #07**

Tract 2, 3, 5, 6, 6-A, 7, 8-1, 9, 9-A, 10, 10 (NW Crnr), 10-A, 11, 11B, 12, 13, 14, 14-D, 15, 15-A, 15-C, 17, 17A, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 (S ½), 34-A (N ½), 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 48-B, 49, 50-1,

Lot 2, Tract 15-C-1

Lot 4

**Share #08**

Lot 1, Tract 31

Lot 1 (INSIDE) & 2, Tracts 49 & 53

Lot 2, Tracts 16, 33, 44

Lot 3, Tracts 17, 32, 43, 48

Lot 4, Tracts 15, 34, 42, 47

Lot 5, Tracts 22, 35, 52

Lot 5 thru 6 (E PT), Tracts 41 & 63

Lot 6, Tracts 21, 36, 51

Lot 7, Tracts 20, & 37

Lot 8, Tracts 19, 38, & 39

Lot 9, Tract 18

Lot 17, Tract 50

Lot C, Tract 26

Tracts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 (E PT), 11, 12, 13(A), 14 (N PT) (Outside pt), 23, 24, 25, 27 (E ½), 27 (W ½), 28, 29, 30, 40, 46, 54, 55 (S OF PILOT CHANNEL), 56 (N PILOT CHANNEL), 57 (N OF PILOT CHANNEL), 58, 59, 59A, 59A-1, 60, 60A-60B (OUTSIDE & INSIDE PT), 60C, 66, 67, 68, 69, 70, 71, 72, 73, 74

**Share #09**

Tract 45

**Share #11**

Lot 1C

Lot 9, Tract 5

**Share #12**

Lot 1

Lot 2, Tracts 1 (E ½) & 2 (W ½)

Lot 3A

Lot 3B

Lot 3C

Lot 3D, Block 3-5

Lot 3F, Block 3-7

Lot 3H, Block 3, Lot 9

Lot 3H-1, Block 3, Lot 9

Lot 3I, Lot 3-10

Lot 3E, Block 3-6

Lot 3G, Block 3-8

Lot 4, Tracts 1 & 2

Lot 11-14, Share 3-3G-3I & Share 4

Lot 15

Lot 16

Lots 2-3

Lot 6

Lot 7

Lot 8

Lot 9

Lot 10

Tracts 1, 1-A, 3-5 (A, B-1, B-2, C, D), 6B-9

**Share #13**

Lot 7 & 8, Tracts, 30 & 31

Tracts 16, 17, 18, 18A, 19, 19A, 20, 21, 22, 23, 24, 25, 25B,

Block A, Lots 1-2, 3, 4

Block B, Lots 1,2, 3, 4, 4-1

Block C (PT), Lot 1-9,  
Block D, Lot 3

**Share #14**

Lot 4, Tracts 8 (N PT), 9-9F (MID PT)

Lot 6A, Tract 18-2

Lot 1 (N ½)

Lot 1-A-1

Lot 1-C

Lot 1-D

Lot 1E-1F

Lot 1-G

Lot 1-I

Lot 1-J

Lot 1-K

Lot 1L

Lot 1-M & 1-N

Lot 1-O

Lot 1-V-1

Lot 2A & 2B

Lot 3A-3E

Lot 3-F

Lot 3-H

Lot 3-I

Lot 3-J

Lot 3-K

Lot 4A

Lot 4B

Lot 5A

Lot 5A-2

Lot 5B

Lot 5B-2

Lot 5B-3

Lot 5-C

Lot 5-C1

Lot 5-D

Lot 5-D1

Lot 5-E

Lot 5F-1 (S PT)

Lot 5F-2 (N PT)

Lot 6

Lot 6A

Lot 6-C

Lot A

Lot B

Lot C

Lot D  
Lot E  
Lot E-1  
Lot F  
Lot F-1  
Lot G  
Lot 3 (All) – 4A  
Lot 4  
Lot 5  
Tracts 7, 8A-1, 10, 12, 13-1 & 15, 14, 16, 17, 19, 19A, 22, 23, 20

**Share #15**

Lot A, Tract 27  
Lot D, Tract 24  
Lot F, Tract 20 (S PT)-21 (N ½ OF S ½)  
Lot 1-7, Tract 27, Part 8  
Lot 6, Tract 31-1  
Lot 8, Share B, Tract 10, 10A  
Lot 8-A, Tract 11  
Lot 8-D, Tract 2 (INT IN B-F)  
Lot 8-E, Tract 3  
Lot 9, Tract 14  
Lot 10, Tract 26  
Lot 13, Tracts 16, 18, 19  
Lot 22, North Part  
Tracts 1 & 32, 4 (PT), 7 & 29, 9, 12, 15, 30-11, 33, 34, 35, 37 (S W CRNR), 38, 39,40-3

**Share #25**

Lot D, Tract 1, 3, 4-A & 4-C, 4-B, 6, 17  
Tract 8, 9B, 10, 10A, 11B

**Share #34**

Lot 1-2, Tracts A, B, D, E,  
Lot 2, Tracts C & 1  
Lot 3, Tracts F, G  
Lot 4, Tracts 6, 7, H  
Lot 5, Track I  
Lot 7A, Tract K-1

**Share #45**

Lot 6A  
Lot 6B  
Lot 6C  
Lot 7A  
Lot 7B  
Lot 7C

Lot 7D

Tracts 20 (N PT OF W71 OF S 1/3), 21, 22(E PT OF S 1/3), 22A

**La Jarita Subdivision**

Block 1, Lots 1, 2, & 3

**Clark Subdivision**

Lots 1 & 2

Lot 2

Lot 3A

Lot 3B (W PT)

Lot 4 thru 5

Lot 6A (W PT)

Lot 6B

Lot 11B, Tract 1

Lot 12 thru 13 & 14A

**Craig, C E Subdivision**

Lots 1 & 2

Lots 3 & 4A

Lot 3A

Lot 4B-7

Exhibit "B"  
MAP OF  
**LAS MAJADAS REINVESTMENT ZONE #1**

**Attachment 16d**

***Guidelines and criteria for creating the zone\****

Please see attached pages.

**A RESOLUTION OF THE WILLACY COUNTY COMMISSIONERS  
COURT ESTABLISHING GUIDELINES AND CRITERIA  
GOVERNING THE GRANTING OF TAX ABATEMENT  
AGREEMENTS IN REINVESTMENT ZONES CREATED IN  
WILLACY COUNTY, TEXAS**

COPY

*County of Willacy* )(  
)

*State of Texas* )(  
)

**WHEREAS**, the creation, retention and diversification of job opportunities to the present and future residents of Willacy County, Texas is a high priority of the Commissioners Court; and,

**WHEREAS**, the purpose of a tax abatement is to provide an incentive offered by the Commissioners Court on behalf of the taxpayers of Willacy County, manufacturing and other capital intensive investments, with high paying jobs, that lead to increased local commerce, better services, and a better quality of life; and,

**WHEREAS**, the wealth created by these enterprises leads to increased local service and retail businesses, which, in addition to improving the quality of life in Willacy County, also increases the *ad valorem* property tax base; and,

**WHEREAS**, by giving a current incentive in the form of a tax abatement, the Commissioners Court, on behalf of the citizens of Willacy County, Texas, agree to give up potential short-term tax benefits in exchange for long-term benefits for the community; and,

**WHEREAS**, the new jobs, investment and industrial/commercial diversification will benefit the area economy, provide new and needed opportunities, strengthen the real estate market, and generate additional tax revenue to support the provision of local services by local political subdivisions; and,

**WHEREAS**, Willacy County must compete with other localities across both the state and nation which have or are currently offering tax inducements in various forms to attract new investments in their respective local economies; and,

**WHEREAS**, any tax incentives offered in Willacy County, Texas, will in the short term, reduce potential new tax revenue unless strictly limited in application only to new investments in facilities that will bring new wealth to the County; and,

*WHEREAS*, the abatement of property taxes, when offered to attract capital investment and the creation of primary jobs in industries which bring in capital investment from outside of the County, has been consistently shown to be an effective method of enhancing and diversifying a local economy; and,

*WHEREAS*, Texas Tax Code Section 312.002 provides that no municipality or county may designate an area as a reinvestment zone, and that no taxing unit may execute a tax abatement agreement under Texas Tax Code chapter 312, unless it first (i) establishes guidelines and criteria for tax abatement agreements and (ii) adopts a resolution stating that the taxing unit elects to become eligible to participate in tax abatement; and,

*WHEREAS*, the Commissioners Court of Willacy County, Texas, for all of the reasons set forth above, desires to be eligible to participate in tax abatement under certain circumstances; now therefore:

***BE IT RESOLVED BY THE COMMISSIONERS COURT OF WILLACY COUNTY, TEXAS THAT:***

**Section 1. DEFINITIONS**

As used in these Guidelines and Criteria, the following italicized terms shall be defined as:

- a. *"Abatement"* means the full or partial exemption from ad valorem taxes on certain real property in a reinvestment zone designated by Willacy County for economic development purposes.
- b. *"Abatement Period"* means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.
- c. *"Abated Facility Site"* (or *"Proposed Abated Facility Site"*) means the tract(s) or area of land underlying the proposed improvements to be abated.
- d. *"Agreement"* means a contractual agreement between a property owner and/or lessee and Willacy County, Texas for the purpose of granting a tax abatement pursuant to Chapter 312 of the Texas Tax Code.
- e. *"Base year value"* means the assessed value of eligible property January 1 preceding the execution of the agreement, plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the agreement.

- f. *"Deferred Maintenance"* means the improvements necessary for continued operations which do not improve productivity or alter the process technology.
- g. *"Economic Development"* means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in Willacy County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Willacy County.
- h. *"Eligible Jurisdiction"* means Willacy County and any municipality, school district, or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Willacy County that levies ad valorem taxes upon and provides services to reinvestment zone designated by Willacy County.
- i. *"Employee"* for the purposes of the economic qualifications of Section 2(i)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- j. *"Existing Facility"* is the facility described in Section 2(a), that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (i)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 5 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.
- k. *"Expansion"* means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- l. *"Facility"* means property improvements completed or in the process of construction which together comprise an integral whole.
- m. *"Willacy County Vendor and Services"* means a company that employs Willacy County residents and pays Willacy County taxes.

- n. *"Manufacturing Facility"* means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- o. *"Modernization"* means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.
- p. *"New Facility"* means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- q. *"Other Basic Industry"* means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside Willacy County.
- r. *"Productive Life"* means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- s. *"Qualified Vendors and Services"* means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.
- t. *"Research Facility"* means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

- u. "*Regional Service Facility*" means buildings and structures, including machinery and equipment, used or to be used to service goods where fifty percent (50%) of the goods being serviced originate outside of Willacy County.
- v. "*Tangible Personal Property*" means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the investment zone at any time before the period covered by the agreement with the County

## Section 2. ABATEMENT AUTHORIZED

- a. **Authorized Facility.** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, or Regional Service Facility, Other Basic Industry, or a Facility that Commissioners Court determines would enhance job creation and the economic future of Willacy County.
- b. **Applicable Only to New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Willacy County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Willacy County may require.
- c. **Applicable New and Existing Facilities.** Abatement may be granted for new facilities and new improvements to existing facilities for purposes of modernization or expansion.
- d. **Eligible Property.** Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.
- e. **Tangible Personal Property.** Abatement may be granted with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation:
  - 1. all or a portion of the value of the real property;
  - 2. all or a portion of the value of the tangible personal property located on the real property; or,
  - 3. all or a portion of the value of both.

An abatement may be granted with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in

a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

- f. **Ineligible Property.** The following type of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Willacy County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property; vehicles, watercraft, aircraft, housing, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2(f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by state law.

In addition to the foregoing, all property owned by Owner, which was located within the Willacy County Reinvestment Zone Number One before the date of any tax abatement agreement shall be excluded from this agreement and shall be fully taxable.

- g. **Leased Facilities/Leasehold Interest.** An abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: An abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation:

1. all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease;
2. all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or,
3. all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

An applicant for an abatement who does not own the land upon which the project for which the abatement is sought shall be required to submit to the County a copy of the executed memorandum of lease agreement or other acceptable document between lessor/lessee demonstrating a lease term, including options for extensions, of at least fifteen years.

- h. **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Commissioners Court Order granting the abatement and approving the abatement application. One hundred percent of the value (or such percentage of value that shall be set by Commissioners Court order) of new eligible properties shall be abated for up to ten years or one-half (1/2) the productive life of the improvement whichever is less. The "productive life" will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date beyond the January 1st following the Commissioners Court Order granting the abatement and approving the abatement application, the County may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond ten (10) years.

If a modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

- i. **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:
1. must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
  2. must create employment for at least five (5) people on a full-time (40 hours per week equivalent) basis in Willacy County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of five (5) employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:
    - a. "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be

considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 5 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.

- b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered "created" employment for purposes of this sub-section. The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.
3. must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
4. must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

5. must file a plan statement with application demonstrating willingness and planned efforts to use qualified Willacy County vendors and services where applicable in the construction and operations of the facility. Willacy County vendors and services must be competitive with non-county vendors and services regarding price, quality, safety, availability and ability to perform.
6. will annually, for the term of the abatement, contribute all required payments in lieu of taxation as may be required in any Agreement made pursuant to these Guidelines and Criteria.

### Section 3. APPLICATION

- a. An Application for tax abatement must be filed with the County Judge's Office and must be accompanied by an application fee. Willacy County has established a \$10,000 application fee.
- b. Any present or potential owner of taxable property in Willacy County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Willacy County. The application shall be filed with the County Judge by providing one original copy and an electronic version and must be accompanied by the application fee.
- c. The application shall consist of a completed application letter accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements which will be a part of the facility; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.
- d. Upon receipt of a completed application and application fee, the County Judge shall notify in writing the presiding officer of the legislative body of each eligible jurisdiction. Before acting upon the application, Willacy County Commissioners Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted.
- e. If upon written request for a legal opinion or interpretation from the Commissioners Court or its members, the legal counsel for Willacy County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed. The Applicant may file a supplement or

addendum to its application to show cause why the Application should be approved and shall present reasons at the public hearing on the same.

- f. Any final decision or interpretation as to the intent and meaning or policy of any provision or its written language; any final decision as to whether or not an application complies or does not comply with the guidelines and criteria; and any final decision as to whether to grant or deny tax abatement shall be made by the Commissioners Court at its sole discretion.
- g. Willacy County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- h. Requests for variance may be made in written form to the County Judge. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.

#### Section 4. ADDITIONAL REQUIREMENTS

Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

- a. there would be a substantial adverse effect on the provision of government service or tax base;
- b. the Applicant has insufficient financial capacity;
- c. the planned or potential use of the property would constitute hazard to public safety, health or morals; or,
- d. the planned or potential use of the property would constitute a violation of other codes or laws.

#### Section 5. APPROVAL OF AGREEMENT

After approval, Willacy County Commissioners Court shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:

- a. the estimated value to be abated and the base year value;
- b. the percent of value to be abated each year as provided in Section 2(h);
- c. the commencement date and the termination date of abatement unless deferred;

- d. the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in the Application;
- e. contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in these guidelines and criteria, specifically Sections 2(a), 2(g), 2(h), 2(i) 6, 7, and 8;
- f. size of investment and average number of jobs involved for the period of abatement; and,
- g. provision that Applicant shall annually furnish information necessary for Willacy County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria, together with an additional provision that Willacy County may, at its election, request and obtain reasonable information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria.

#### Section 6. COUNTY REMEDIES IN THE EVENT OF DEFAULT

- a. In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the county may elect to:
  - 1. Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes;
  - 2. Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or,
  - 3. Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- b. Should Willacy County determine that the company or individual is in default according to the terms and conditions of its agreement, Willacy County shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within ninety (90) days from the date of such notice ("Cure Period"), then the agreement may be terminated.

- c. In the event that the company or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- d. Failure to provide any requested statement or information pursuant to the provisions described in Section 5(g) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

#### Section 7. ADMINISTRATION

- a. The Chief Appraiser of Willacy County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Chief Appraiser with such information as may be necessary for the administration of the abatement. Once value has been established, the Chief Appraiser shall notify the eligible jurisdictions which levies taxes on the amount of the assessment.
- b. The agreement shall stipulate Willacy County and its agents will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of seventy-two (72) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with their safety standards.
- c. Upon completion of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Willacy County Commissioners Court clearly detailing the status of the facility and how it is complying with the abatement guidelines.
- d. The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

**Section 8. ASSIGNMENT**

A tax abatement granted under these Guidelines and Criteria may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of Willacy County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Willacy County. No assignment or transfer shall be approved if the new parties to the existing agreement, the new owner or new lessee are liable to Willacy County or any eligible jurisdiction for delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

**Section 9. SUNSET PROVISION**

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Willacy County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the expiration of said Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.

These guidelines and policies for Tax Abatement shall be effective September 27, 2013, and shall remain in force until September 27, 2015, unless amended or superseded, modified, renewed, or eliminated by Commissioners Court prior to that date.

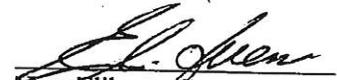
**Section 10. NO LIMIT ON DISCRETION**

In accordance with Texas Tax Code section 312.002, these guidelines and criteria shall not limit the discretion of the County to decide whether to enter into a specific tax abatement agreement. Accordingly, the County may enter into a particular tax abatement agreement whenever it determines that it is in the best interests of the County to enter into such agreement and provide such abatement with respect to a particular applicant. In doing so, the County may vary from the provisions of this Tax Abatement Policy Statement in any respect that is not contrary to state law.

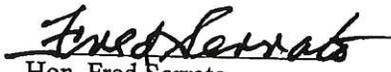
**PASSED, APPROVED, AND ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2014.**

COMMISSIONERS COURT  
WILLACY COUNTY, TEXAS

  
Hon. John F. Gonzales, Jr.

  
Hon. Eliberto Guerra  
Commissioner, Precinct 1

  
Hon. Noe Loya.  
Commissioner, Precinct 2

  
Hon. Fred Serrato  
Commissioner, Precinct 3

  
Hon. Dora Perez  
Commissioner, Precinct 4

ATTEST:

  
Hon. Terry Flores  
Willacy County Clerk



**Attachment 17**

***Signature and Certification Page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant).***

Please see signature page attached.

**SECTION 16: Authorized Signatures and Applicant Certification**

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

**1. Authorized School District Representative Signature**

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

**print here** → Eduardo Infante Superintendent  
Print Name (Authorized School District Representative) Title

**sign here** → Eduardo Infante 8.15.16  
Signature (Authorized School District Representative) Date

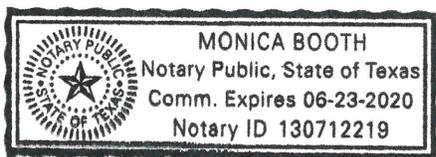
**2. Authorized Company Representative (Applicant) Signature and Notarization**

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

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

**print here** → Matthew McCluskey Director of Development  
Print Name (Authorized Company Representative (Applicant)) Title

**sign here** → Matthew S. McCluskey 8/15/16  
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the  
15 day of August, 2016  
Monica Booth  
 Notary Public in and for the State of Texas  
 My Commission expires: 06/23/2020

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 Lyford Consolidated Independent School District  
Board of Trustees under the Texas Economic Development Act on the  
Application Submitted by Las Majadas Wind Farm, LLC  
(Tax ID 32061072362) (Application # 1150)

**ATTACHMENT B**  
**Franchise Account Status of**  
**Las Majadas Wind Farm, LLC**



## Franchise Tax Account Status

As of : 08/02/2017 12:38:44

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

LAS MAJADAS WIND FARM, LLC	
<b>Texas Taxpayer Number</b>	32061072362
<b>Mailing Address</b>	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
<b>Right to Transact Business in Texas</b>	ACTIVE
<b>State of Formation</b>	DE
<b>Effective SOS Registration Date</b>	07/19/2016
<b>Texas SOS File Number</b>	0802502803
<b>Registered Agent Name</b>	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
<b>Registered Office Street Address</b>	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701

Findings and Order of the Lyford Consolidated Independent School District  
Board of Trustees under the Texas Economic Development Act on the  
Application Submitted by Las Majadas Wind Farm, LLC  
(Tax ID 32061072362) (Application # 1150)

**ATTACHMENT C**  
**Comptroller Letter Certifying**  
**Application as Complete**



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 3, 2016

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

Re: Application 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 August 25, 2016 the Comptroller's office received from Lyford Consolidated Independent School District (ISD) an application from Las Majadas Wind Farm, LLC for a limitation on appraised value (Application 1150).

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 November 3, 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 Deisy Perez with our office. She can be reached by email at [deisy.perez@cpa.texas.gov](mailto:deisy.perez@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan", is written over a horizontal line.

Will Counihan  
Director

Data Analysis & Transparency Division

cc: Sara Leon, Powell & Leon, LLP  
Matthew McCluskey, EDF Renewable Energy  
Melissa Miller, EDF Renewable Energy  
Robert Peña Jr, Texas Energy Consultants

Findings and Order of the Lyford Consolidated Independent School District  
Board of Trustees under the Texas Economic Development Act on the  
Application Submitted by Las Majadas Wind Farm, LLC  
(Tax ID 32061072362) (Application # 1150)

**ATTACHMENT D**  
**Comptroller's Economic Impact Analysis**



**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).

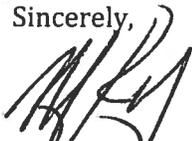
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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
			<b>Total</b>	<b>\$2,798,358</b>	<b>\$29,764,355</b>	<b>\$32,562,714</b>	<b>\$15,413,866</b>	<b>\$973,829</b>	<b>\$1,009,953</b>	<b>\$6,359,905</b>	<b>\$56,320,266</b>

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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# Raymondville Chronicle Willacy County News

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2016-04-27 / News

## 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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INDEPENDENT MEDIA PRESENTS

## 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 on 11/11/2016. Activities include: flag raising ceremony.

The Veterans Day Ceremony will honor both veterans and their families. There will be a parade on the parade grounds at 10:00 AM.

The public and all veterans are cordially invited.

WWW.VETERANSDAYCEREMONY.COM

### THE CLASSIFIEDS

Advertisement Available for the Classified Page in Tuesday at 5:00 A.M.

WEBSITE: WWW.CHRONICLE.COM

YOUR AD WILL BE SEEN IN MORE THAN 1500 WILLACY COUNTY HOMES

Area	Rate	Phone	Charge	Charge	Charge
1st Week	\$100.00	361-233-1111	1st Week	1st Week	1st Week
2nd Week	\$150.00	361-233-1111	2nd Week	2nd Week	2nd Week
3rd Week	\$200.00	361-233-1111	3rd Week	3rd Week	3rd Week
4th Week	\$250.00	361-233-1111	4th Week	4th Week	4th Week
5th Week	\$300.00	361-233-1111	5th Week	5th Week	5th Week
6th Week	\$350.00	361-233-1111	6th Week	6th Week	6th Week
7th Week	\$400.00	361-233-1111	7th Week	7th Week	7th Week
8th Week	\$450.00	361-233-1111	8th Week	8th Week	8th Week
9th Week	\$500.00	361-233-1111	9th Week	9th Week	9th Week
10th Week	\$550.00	361-233-1111	10th Week	10th Week	10th Week

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.

Findings and Order of the Lyford Consolidated Independent School District  
Board of Trustees under the Texas Economic Development Act on the  
Application Submitted by Las Majadas Wind Farm, LLC  
(Tax ID 32061072362) (Application # 1150)

**ATTACHMENT E**  
**Summary of Financial Impact on Lyford CISD**  
**Prepared by**  
**Jigsaw School Finance Solutions, LLC**

**SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED  
LAS MAJADAS WIND FARM, LLC PROJECT  
(APPLICATION #1150)  
ON THE FINANCES OF  
LYFORD CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
UNDER A REQUESTED  
CHAPTER 313 APPRAISED VALUE LIMITATION**

**PREPARED BY  
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC  
FEBRUARY 15, 2017**

## Introduction

EDF Renewable Energy has submitted an application to the Lyford Independent School District requesting a value limitation on the proposed Las Majadas Wind Farm, LLC, to be located entirely within the Lyford Consolidated Independent School District boundaries, under Chapter 313 of the Texas Tax Code. EDF Renewable Energy is a national and international developer of wind projects and has operations in several regions and states within the contiguous United States. The company expects to begin construction in January of 2018 and complete project construction within 11 months. When complete, the Las Majadas Wind Farm will consist of an estimated 65 to 120 wind turbines along with transmission infrastructure and have the capability of producing 202 megawatts.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. Thus the property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to incentivize economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200 creating Tax Code Chapter 313, the Texas Economic Development Act. The act, as amended by the legislature in 2007, 2009, and 2013, grants eligibility to clean energy projects such as the proposed Las Majadas Wind Farm, LLC. Under the provisions of the Texas Economic Development Act, Lyford Consolidated Independent School District may grant a value limitation for maintenance and operation taxes in the amount of \$20 million dollars for a period of ten years. EDF Renewable Energy believes that Willacy County is an excellent location for the proposed wind farm due to abundant wind and easy access to available transmission lines and the ERCOT market. The company also contends that a value limitation agreement with the Lyford Consolidated Independent School District is essential to the economic viability of the project.

The application calls for the project to be fully taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2017-2018 and 2018-2019 school years. Beginning with the 2019-2020 school year, the value of the project would be limited to \$20 million for maintenance and operation (M&O) tax purposes and remain limited through the 2028-2029 school year. The full value of the project will be taxable for debt service purposes in all years of the agreement.

## School Finance Mechanics

The Texas system of public school funding is based on the ad valorem property tax. Schools levy a tax rate for maintenance and operation (M&O) and interest and sinking (I&S) against a current year tax roll. State funding is calculated using a prior year value certified by the Comptroller's Property Tax Division (CPTD). Texas school districts are funded by some combination of local ad valorem property taxes and state aid. Most of the money that a school district generates through the funding formulas is generated in Tier 1. Local M&O collections at the compressed tax rate generate Tier I funding. A school district's Tier I revenue is the greater of the adjusted minimum target revenue amount or the state share of Tier 1 plus local M&O collections at the compressed rate. Most Texas school districts, including the Lyford Consolidated Independent School District, are now formula-funded. The Tier 1 formulas start with a Basic Allotment per student of \$5,140. Calculations that use the number of students in average daily attendance, the number of students who participate in special programs, and the adjustments for size, sparsity, and location determine a Total Cost of Tier 1. A Local Fund Assignment is determined by multiplying the District's compressed tax rate by the previous year's (CPTD) property value. This formula determines the local ad valorem property taxes the district must collect in order to satisfy the district's share of the Tier 1

cost. Thus school districts that are relatively property wealthy per student fund most of the Total Cost of Tier 1 with local property taxes while school districts that are relatively property poor per student receive most of the Total Cost of Tier 1 from state aid. Pennies that districts levy over and above the compressed tax rate and up to \$1.17 generate additional state and local funding in Tier 2 Level 1 and Tier 2 Level 2. Current funding formulas provide for a Guaranteed Yield per penny per WADA of \$77.53 for Tier 2 Level 1 and a Guaranteed Yield per penny per WADA of \$31.95 per penny per WADA in Tier 2 Level 2. Lyford CISD currently is a relatively property poor per student district thus generating most Maintenance and Operation revenue from state aid. In an attempt to provide some degree of funding equity among school districts, the formulas provide two equalized wealth levels. Districts that exceed the first equalized wealth level of \$514,000 per weighted ADA are subject to recapture on taxes collected at the compressed rate. Districts that exceed the second equalized wealth level of \$319,500 per weighted ADA are subject to recapture on revenues collected on pennies that exceed six pennies over the compressed rate. A successful Tax Rate Election has given the Lyford CISD board the approval to adopt an M&O tax rate up to \$1.17. The District currently levies an M&O rate of \$1.17. Wealth per Weighted ADA calculations currently show the Lyford CISD to be well under both equalized wealth levels. Therefore the District is not subject to any recapture. EDF Renewable Energy is requesting that the value of the Las Majadas Wind Farm, LLC project be limited to \$20 million in years three through twelve of the agreement. The full value of the project would be subject to interest and sinking taxes (I&S) levied by the Lyford CISD in all years of the agreement.

The Revenue Protection Clause of the proposed agreement calls for the school district to be held harmless against total state and local maintenance and operation revenue losses as a result of the value limitation agreement. Revenue Protection calculations are to be made using whatever property tax laws and school funding formulas are in place at that time in years three through twelve of the agreement. In the third year of these agreements, the first year when the value of the property is limited, the school district will likely see a significant loss in total revenue. Estimates show a loss of approximately \$4,022,615 in the 2019-2020 school year. In years four through twelve when the prior year CPTD values are more closely aligned to the current year CAD values, no losses or smaller losses in total state and local revenue should be anticipated. As per the language in the contract, the company will be required to make Revenue Protection Payments to the district in an amount equal to the loss of state and local revenue as a result of the limitation in all years of the agreement.

### **Underlying Assumptions**

The Lyford CISD Board of Trustees and administration need reasonable estimates of the long term impact that the proposed value limitation will have on school district revenue streams both for Maintenance and Operation and Interest and Sinking in order to determine whether the agreement is in the long term financial interest of the school district. Currently 15 years of data and analysis are required during the Chapter 313 application process.

The approach used in this report was to predict 15 years of base data, including average daily attendance, M&O and I&S tax rates, maintenance and operation (M&O) tax collections, current year (CAD) values and prior year (CPTD) values for each year of the agreement. Current year (CAD) values and prior year (CPTD) values were forecast both with the full project value and with the limited value of the project. Lyford CISD currently has 2 other approved Chapter 313 projects, the Magic Valley Wind Farm and the DEGS Wind Farm. The Maintenance and Operation values of these projects are limited to \$10 million through the 2021-

2022 school year. In the 2022-2023 school year, the Maintenance and Operation values of these projects will return to full value. These values have been included in the base data illustrated in **Table 1**.

To isolate the impact of the value limitation on the school district's finances over this 15 year agreement, Average Daily Attendance and Maintenance and Operation tax rates were held constant at levels that exist in the 2016-2017 school year. An ADA of 1,455 and an M&O tax rate of \$1.17 was used for each yearly forecast. The Willacy, Hidalgo, and Cameron County Appraisal Districts certified Lyford's 2016 current year (CAD) net taxable value for Maintenance and Operation at \$172,761,019. These values were used as the basis for subsequent current year (CAD) values in this report. The final 2015 T1 and T2 Comptroller Property Tax Division (CPTD) values also certified to school districts in late July were used as a basis for predicting prior year (CPTD) values for each of the agreement years.

The proposed agreement calls for the Lyford CISD to be held harmless against total state and local revenue losses that might occur as a result of the value limitation being in effect for any given year of the agreement. In order to predict when and if these revenue losses may occur, two models were developed. One illustrated in **Table 2** incorporates the full value of the Las Majadas project into the state and local funding calculations. The other shown in **Table 3** assumes that only the limited value of the Las Majadas project is available for M&O taxation purposes. In any year of the limitation period where total state and local funding with the full project value exceeds the total state and local funding produced when the limited value is used, a Revenue Protection Payment is indicated for that year. The results of these calculations are illustrated in **Table 4**.

### Financial Impact on the School District

Utilizing the assumptions and methodology described above, total Maintenance and Operation revenue was calculated with the limitation in place and as if the limitation was not in place for each year of the agreement. The calculations show a total loss of state and local revenue in the 2019-2020 school year, which is the first year that the limitation is in place, and in a year in which there is no difference in the prior year CPTD values used in the calculations. The calculations show that when the full value of the project is included, it generates an additional \$4,022,615 in state and local tax revenue when compared to the calculation in **Table 3** that factors in only the limited value of the project. This is the result of the additional M&O tax collections generated by the calculation with the full project value included as well as additional Tier 2 state aid. The higher M&O tax collections in the calculations with the full project generate substantially higher DTRs or District Tax Rates in both Tier 2 Level 1 and Tier 2 Level 2. The higher DTRs generate additional Tier 2 state revenue in the calculation with the full project value included. It is estimated in the other years that the limitation is in place, when CPTD values are more closely aligned to CAD values, no revenue losses or small revenue losses will occur.

Calculations in the 2022-2023 school year, both with the limitation in place and without the limitation in place, show substantial gains in total M&O revenue when compared to the previous year due to the project values for the DEGS Wind Farm and Magic Valley Wind Farm returning to full value. These large increases in property values will likely produce a rollback rate that is lower than the \$1.17 currently being levied by the Lyford CISD and the rate used in all calculations shown in this report. Thus a rollback election will likely be required for the district to generate the entire amount of M&O revenue shown in **Table 3** of this report in this school year.

### **M&O Impact on Taxpayer**

The terms of the proposed agreement call for the Maintenance and Operation (M&O) value of the Las Majadas Wind Farm, LLC project to be limited to \$20 million starting in tax year 19 (school year 2019-2020) and remaining limited through tax year 28 (school year 2028-2029). The potential gross and net tax savings to EDF Renewable Energy are shown in **Table 5**. As stated earlier, an M&O tax rate of \$1.17 and a collection rate of 100% is used throughout the calculations in this report. **Table 5** shows gross tax savings due to the limitation of just under \$20 million throughout the length of the contract. Tax savings net of the Revenue Protection Payments are estimated to be \$15,890,303.

### **Facilities Funding Impact**

Reports submitted by EDF Renewable Energy show the full value of the property being depreciated over time. Even so, the full value of the project will be available to the district and will enhance the district's ability to service current and future debt obligations. Texas funding laws provide assistance to school districts for debt service purposes in the form of the Instructional Facilities Allotment and the Existing Debt Allotment. The formulas provide a guarantee of \$35 per ADA per penny of tax effort. Lyford CISD has property wealth per ADA that exceeds this amount and is thus not eligible for this state assistance. While the project is expected to provide additional employment opportunities in the area, the impact on student enrollment is predicted to be minimal.

### **Conclusion**

The tax limitation agreement that is proposed by EDF Renewable Energy will benefit the community, the school district, and EDF Renewable Energy. The wind farm and related infrastructure brings large scale capital investment to the area and will act as an economic stimulus. Lyford CISD will benefit from a growing tax base that can be leveraged to provide first class facilities for faculty and students. The estimates in this report show substantial property tax savings available to EDF Renewable Energy due to the 10 year limitation that applies to Maintenance and Operation (M&O) taxes.

**Table 1—Base District Information with Las Majadas Wind Farm, LLC #1151 Project Value and Limitation Values**

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value Original	CAD Value New	CPTD Original	CPTD New	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP 1	2017-18	1,455.00	2,302.00	\$1.1700	\$0.1500	\$172,761,019	\$172,761,019	\$172,761,019	\$172,761,019	\$75,048	\$75,048
QTP 2	2018-19	1,455.00	2,302.00	\$1.1700	\$0.1500	\$172,761,019	\$172,761,019	\$172,761,019	\$172,761,019	\$75,048	\$75,048
LP 1	2019-20	1,455.00	2,302.00	\$1.1700	\$0.1500	\$409,757,519	\$192,761,019	\$172,761,019	\$172,761,019	\$75,048	\$75,048
LP 2	2020-21	1,455.00	2,302.00	\$1.1700	\$0.1500	\$397,907,694	\$192,761,019	\$409,757,519	\$192,761,019	\$178,001	\$83,736
LP 3	2021-22	1,455.00	2,302.00	\$1.1700	\$0.1500	\$386,650,360	\$192,761,019	\$397,907,694	\$192,761,019	\$172,853	\$83,736
LP 4	2022-23	1,455.00	2,302.00	\$1.1700	\$0.1500	\$788,958,780	\$605,763,906	\$386,650,360	\$192,761,019	\$167,963	\$83,736
LP 5	2023-24	1,455.00	2,302.00	\$1.1700	\$0.1500	\$771,014,829	\$597,979,699	\$788,958,780	\$605,763,906	\$342,728	\$263,147
LP 6	2024-25	1,455.00	2,302.00	\$1.1700	\$0.1500	\$753,614,972	\$590,231,599	\$771,014,829	\$597,979,699	\$334,933	\$259,765
LP 7	2025-26	1,455.00	2,302.00	\$1.1700	\$0.1500	\$737,091,566	\$582,877,361	\$753,614,972	\$590,231,599	\$327,374	\$256,399
LP 8	2026-27	1,455.00	2,302.00	\$1.1700	\$0.1500	\$721,290,933	\$575,787,439	\$737,091,566	\$582,877,361	\$320,196	\$253,205
LP 9	2027-28	1,455.00	2,302.00	\$1.1700	\$0.1500	\$706,176,061	\$568,947,741	\$721,290,933	\$575,787,439	\$313,332	\$250,125
LP 10	2028-29	1,455.00	2,302.00	\$1.1700	\$0.1500	\$691,711,910	\$562,345,006	\$706,176,061	\$568,947,741	\$306,766	\$247,154
VP 1	2029-30	1,455.00	2,302.00	\$1.1700	\$0.1500	\$677,865,310	\$677,865,310	\$691,711,910	\$562,345,006	\$300,483	\$244,285
VP 2	2030-31	1,455.00	2,302.00	\$1.1700	\$0.1500	\$664,604,853	\$664,604,853	\$677,865,310	\$677,865,310	\$294,468	\$294,468
VP 3	2031-32	1,455.00	2,302.00	\$1.1700	\$0.1500	\$651,900,806	\$651,900,806	\$664,604,853	\$664,604,853	\$288,708	\$288,708
VP 4	2032-33	1,455.00	2,302.00	\$1.1700	\$0.1500	\$639,725,015	\$639,725,015	\$651,900,806	\$651,900,806	\$283,189	\$283,189
VP 5	2033-34	1,455.00	2,302.00	\$1.1700	\$0.1500	\$628,050,800	\$628,050,820	\$639,725,015	\$639,725,015	\$277,900	\$277,900

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

**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	2017-18	\$ 1,727,610	\$ 10,982,229	\$ 0	\$ 1,586,031	\$ 0	\$ 293,694	\$ 0	\$ 0	\$ 64,728	\$ 14,654,292
QTP 2	2018-19	\$ 1,727,610	\$ 10,982,229	\$ 0	\$ 1,586,031	\$ 0	\$ 293,694	\$ 0	\$ 0	\$ 64,728	\$ 14,654,292
LP 1	2019-20	\$ 4,097,575	\$ 10,982,229	\$ 0	\$ 3,250,167	\$ 0	\$ 696,588	\$ 0	\$ 0	\$ 67,023	\$ 19,093,582
LP 2	2020-21	\$ 3,979,077	\$ 8,612,264	\$ 0	\$ 1,149,343	\$ 0	\$ 676,443	\$ 0	\$ 0	\$ 64,728	\$ 14,481,855
LP 3	2021-22	\$ 3,866,504	\$ 8,730,762	\$ 0	\$ 1,169,244	\$ 0	\$ 657,305	\$ 0	\$ 0	\$ 64,728	\$ 14,488,543
LP 4	2022-23	\$ 7,889,588	\$ 8,843,336	\$ 0	\$ 2,304,000	\$ 0	\$ 1,341,230	\$ 0	\$ 0	\$ 155,348	\$ 20,533,502
LP 5	2023-24	\$ 7,710,148	\$ 4,820,251	\$ 0	\$ 583,440	\$ 0	\$ 1,310,725	\$ 0	\$ (55,244)	\$ 64,728	\$ 14,434,048
LP 6	2024-25	\$ 7,536,150	\$ 4,999,691	\$ 0	\$ 593,956	\$ 0	\$ 1,281,145	\$ 0	\$ (36,732)	\$ 64,728	\$ 14,438,938
LP 7	2025-26	\$ 7,370,916	\$ 5,173,690	\$ 0	\$ 605,183	\$ 0	\$ 1,253,056	\$ 0	\$ (18,785)	\$ 64,728	\$ 14,448,788
LP 8	2026-27	\$ 7,212,909	\$ 5,338,924	\$ 0	\$ 614,882	\$ 0	\$ 1,226,195	\$ 0	\$ (1,720)	\$ 64,728	\$ 14,455,918
LP 9	2027-28	\$ 7,061,761	\$ 5,496,930	\$ 0	\$ 639,382	\$ 0	\$ 1,200,500	\$ 0	\$ 0	\$ 64,728	\$ 14,463,301
LP 10	2028-29	\$ 6,917,119	\$ 5,648,079	\$ 0	\$ 665,612	\$ 0	\$ 1,175,910	\$ 0	\$ 0	\$ 64,728	\$ 14,471,448
VP 1	2029-30	\$ 6,778,653	\$ 5,792,720	\$ 0	\$ 689,738	\$ 0	\$ 1,152,371	\$ 0	\$ 0	\$ 64,728	\$ 14,478,210
VP 2	2030-31	\$ 6,646,049	\$ 5,931,186	\$ 0	\$ 712,807	\$ 0	\$ 1,129,828	\$ 0	\$ 0	\$ 64,728	\$ 14,484,598
VP 3	2031-32	\$ 6,519,008	\$ 6,063,791	\$ 0	\$ 736,089	\$ 0	\$ 1,108,231	\$ 0	\$ 0	\$ 64,728	\$ 14,491,847
VP 4	2032-33	\$ 6,397,250	\$ 6,190,831	\$ 0	\$ 757,280	\$ 0	\$ 1,087,533	\$ 0	\$ 0	\$ 64,728	\$ 14,497,622
VP 5	2033-34	\$ 6,280,508	\$ 6,312,589	\$ 0	\$ 777,685	\$ 0	\$ 1,067,687	\$ 0	\$ 0	\$ 64,728	\$ 14,503,197

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	2017-18	\$ 1,727,610	\$ 10,982,229	\$ 0	\$ 1,586,031	\$ 0	\$ 293,694	\$ 0	\$ 0	\$ 64,728	\$ 14,654,292
QTP 2	2018-19	\$ 1,727,610	\$ 10,982,229	\$ 0	\$ 1,586,031	\$ 0	\$ 293,694	\$ 0	\$ 0	\$ 64,728	\$ 14,654,292
LP 1	2019-20	\$ 1,927,610	\$ 10,982,229	\$ 0	\$ 1,768,706	\$ 0	\$ 327,694	\$ 0	\$ 0	\$ 64,728	\$ 15,070,967
LP 2	2020-21	\$ 1,927,610	\$ 10,782,229	\$ 0	\$ 1,552,031	\$ 0	\$ 327,694	\$ 0	\$ 0	\$ 64,728	\$ 14,654,292
LP 3	2021-22	\$ 1,927,610	\$ 10,782,229	\$ 0	\$ 1,552,031	\$ 0	\$ 327,694	\$ 0	\$ 0	\$ 64,728	\$ 14,654,292
LP 4	2022-23	\$ 6,057,639	\$ 10,782,229	\$ 0	\$ 3,924,724	\$ 0	\$ 1,029,798	\$ 0	\$ 0	\$ 115,941	\$ 21,910,331
LP 5	2023-24	\$ 5,979,797	\$ 6,652,200	\$ 0	\$ 838,680	\$ 0	\$ 1,016,566	\$ 0	\$ 0	\$ 64,728	\$ 14,551,971
LP 6	2024-25	\$ 5,902,316	\$ 6,730,042	\$ 0	\$ 851,742	\$ 0	\$ 1,003,394	\$ 0	\$ 0	\$ 64,728	\$ 14,552,222
LP 7	2025-26	\$ 5,828,774	\$ 6,807,523	\$ 0	\$ 865,938	\$ 0	\$ 990,891	\$ 0	\$ 0	\$ 64,728	\$ 14,557,854
LP 8	2026-27	\$ 5,757,874	\$ 6,881,066	\$ 0	\$ 878,438	\$ 0	\$ 978,838	\$ 0	\$ 0	\$ 64,728	\$ 14,560,944
LP 9	2027-28	\$ 5,689,477	\$ 6,951,965	\$ 0	\$ 890,349	\$ 0	\$ 967,211	\$ 0	\$ 0	\$ 64,728	\$ 14,563,730
LP 10	2028-29	\$ 5,623,450	\$ 7,020,362	\$ 0	\$ 901,839	\$ 0	\$ 955,986	\$ 0	\$ 0	\$ 64,728	\$ 14,566,365
VP 1	2029-30	\$ 6,778,653	\$ 7,086,389	\$ 0	\$ 1,113,191	\$ 0	\$ 1,152,371	\$ 0	\$ 0	\$ 64,728	\$ 16,195,332
VP 2	2030-31	\$ 6,646,049	\$ 5,931,186	\$ 0	\$ 712,807	\$ 0	\$ 1,129,828	\$ 0	\$ 0	\$ 64,728	\$ 14,484,598
VP 3	2031-32	\$ 6,519,008	\$ 6,063,791	\$ 0	\$ 736,089	\$ 0	\$ 1,108,231	\$ 0	\$ 0	\$ 64,728	\$ 14,491,847
VP 4	2032-33	\$ 6,397,250	\$ 6,190,831	\$ 0	\$ 757,280	\$ 0	\$ 1,087,533	\$ 0	\$ 0	\$ 64,728	\$ 14,497,622
VP 5	2033-34	\$ 6,280,508	\$ 6,312,589	\$ 0	\$ 777,685	\$ 0	\$ 1,067,687	\$ 0	\$ 0	\$ 64,728	\$ 14,503,197

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	2017-18	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
QTP 2	2018-19	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
LP 1	2019-20	\$ (2,169,965)	\$ 0	\$ 0	\$ (1,481,461)	\$ 0	\$ (368,894)	\$ 0	\$ 0	\$ (2,295)	\$ (4,022,615)
LP 2	2020-21	\$ (2,051,467)	\$ 2,169,965	\$ 0	\$ 402,688	\$ 0	\$ (348,749)	\$ 0	\$ 0	\$ 0	\$ 172,437
LP 3	2021-22	\$ (1,938,893)	\$ 2,051,467	\$ 0	\$ 382,787	\$ 0	\$ (329,611)	\$ 0	\$ 0	\$ 0	\$ 165,750
LP 4	2022-23	\$ (1,831,949)	\$ 1,938,893	\$ 0	\$ 1,620,724	\$ 0	\$ (311,432)	\$ 0	\$ 0	\$ (39,407)	\$ 1,376,829
LP 5	2023-24	\$ (1,730,351)	\$ 1,831,949	\$ 0	\$ 255,240	\$ 0	\$ (294,159)	\$ 0	\$ 55,244	\$ 0	\$ 117,923
LP 6	2024-25	\$ (1,633,834)	\$ 1,730,351	\$ 0	\$ 257,786	\$ 0	\$ (277,751)	\$ 0	\$ 36,732	\$ 0	\$ 113,284
LP 7	2025-26	\$ (1,542,142)	\$ 1,633,833	\$ 0	\$ 260,755	\$ 0	\$ (262,165)	\$ 0	\$ 18,785	\$ 0	\$ 109,066
LP 8	2026-27	\$ (1,455,035)	\$ 1,542,142	\$ 0	\$ 263,556	\$ 0	\$ (247,357)	\$ 0	\$ 1,720	\$ 0	\$ 105,026
LP 9	2027-28	\$ (1,372,283)	\$ 1,455,035	\$ 0	\$ 250,967	\$ 0	\$ (233,289)	\$ 0	\$ 0	\$ 0	\$ 100,430
LP 10	2028-29	\$ (1,293,669)	\$ 1,372,283	\$ 0	\$ 236,227	\$ 0	\$ (219,924)	\$ 0	\$ 0	\$ 0	\$ 94,917
VP 1	2029-30	\$ 0	\$ 1,293,669	\$ 0	\$ 423,453	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,717,122
VP 2	2030-31	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
VP 3	2031-32	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
VP 4	2032-33	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
VP 5	2033-34	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**Table 5—Estimated Financial Impact of the Las Majadas Wind Farm, LLC Property Value Limitation Request Submitted to Lyford CISD at \$1.17 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	2017-18	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0
QTP 2	2018-19	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0
LP 1	2019-20	\$236,996,500	\$20,000,000	\$216,996,500	\$1.170	\$2,772,859	\$234,000	\$2,538,859	-\$4,022,615	-\$1,483,756
LP 2	2020-21	\$225,146,675	\$20,000,000	\$205,146,675	\$1.170	\$2,634,216	\$234,000	\$2,400,216	\$0	\$2,400,216
LP 3	2021-22	\$213,889,341	\$20,000,000	\$193,889,341	\$1.170	\$2,502,505	\$234,000	\$2,268,505	\$0	\$2,268,505
LP 4	2022-23	\$203,194,874	\$20,000,000	\$183,194,874	\$1.170	\$2,377,380	\$234,000	\$2,143,380	\$0	\$2,143,380
LP 5	2023-24	\$193,035,130	\$20,000,000	\$173,035,130	\$1.170	\$2,258,511	\$234,000	\$2,024,511	\$0	\$2,024,511
LP 6	2024-25	\$183,383,373	\$20,000,000	\$163,383,373	\$1.170	\$2,145,585	\$234,000	\$1,911,585	\$0	\$1,911,585
LP 7	2025-26	\$174,214,205	\$20,000,000	\$154,214,205	\$1.170	\$2,038,306	\$234,000	\$1,804,306	\$0	\$1,804,306
LP 8	2026-27	\$165,503,494	\$20,000,000	\$145,503,494	\$1.170	\$1,936,391	\$234,000	\$1,702,391	\$0	\$1,702,391
LP 9	2027-28	\$157,228,320	\$20,000,000	\$137,228,320	\$1.170	\$1,839,571	\$234,000	\$1,605,571	\$0	\$1,605,571
LP 10	2028-29	\$149,366,904	\$20,000,000	\$129,366,904	\$1.170	\$1,747,593	\$234,000	\$1,513,593	\$0	\$1,513,593
VP 1	2029-30	\$141,898,559	\$141,898,559	\$0	\$1.170	\$1,660,213	\$1,660,213	\$0	\$0	\$0
VP 2	2030-31	\$134,803,631	\$134,803,631	\$0	\$1.170	\$1,577,202	\$1,577,202	\$0	\$0	\$0
VP 3	2031-32	\$128,063,449	\$128,063,449	\$0	\$1.170	\$1,498,342	\$1,498,342	\$0	\$0	\$0
VP 4	2032-33	\$121,660,277	\$121,660,277	\$0	\$1.170	\$1,423,425	\$1,423,425	\$0	\$0	\$0
VP 5	2033-34	\$115,577,263	\$115,577,263	\$0	\$1.170	\$1,352,254	\$1,352,254	\$0	\$0	\$0
						<b>\$29,764,355</b>	<b>\$9,851,437</b>	<b>\$19,912,918</b>	<b>-\$4,022,615</b>	<b>\$15,890,303</b>

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.

Estimated Financial Impact of the Las Majadas Wind Farm, LLC Property Value Limitation Request Submitted to Lyford ISD at \$1.17 M&O Rate

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
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	School District Tax Benefit \$100 per ADA	Company Tax Benefit
QTP 1	2017-18	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0	\$145,500	-\$145,500
QTP 2	2018-19	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0	\$145,500	-\$145,500
LP 1	2019-20	\$236,996,500	\$20,000,000	\$216,996,500	\$1.170	\$2,772,859	\$234,000	\$2,538,859	-\$4,022,615	-\$1,483,756	\$145,500	-\$1,629,256
LP 2	2020-21	\$225,146,675	\$20,000,000	\$205,146,675	\$1.170	\$2,634,216	\$234,000	\$2,400,216	\$0	\$2,400,216	\$145,500	\$2,254,716
LP 3	2021-22	\$213,889,341	\$20,000,000	\$193,889,341	\$1.170	\$2,502,505	\$234,000	\$2,268,505	\$0	\$2,268,505	\$145,500	\$2,123,005
LP 4	2022-23	\$203,194,874	\$20,000,000	\$183,194,874	\$1.170	\$2,377,380	\$234,000	\$2,143,380	\$0	\$2,143,380	\$145,500	\$1,997,880
LP 5	2023-24	\$193,035,130	\$20,000,000	\$173,035,130	\$1.170	\$2,258,511	\$234,000	\$2,024,511	\$0	\$2,024,511	\$145,500	\$1,879,011
LP 6	2024-25	\$183,383,373	\$20,000,000	\$163,383,373	\$1.170	\$2,145,585	\$234,000	\$1,911,585	\$0	\$1,911,585	\$145,500	\$1,766,085
LP 7	2025-26	\$174,214,205	\$20,000,000	\$154,214,205	\$1.170	\$2,038,306	\$234,000	\$1,804,306	\$0	\$1,804,306	\$145,500	\$1,658,806
LP 8	2026-27	\$165,503,494	\$20,000,000	\$145,503,494	\$1.170	\$1,936,391	\$234,000	\$1,702,391	\$0	\$1,702,391	\$145,500	\$1,556,891
LP 9	2027-28	\$157,228,320	\$20,000,000	\$137,228,320	\$1.170	\$1,839,571	\$234,000	\$1,605,571	\$0	\$1,605,571	\$145,500	\$1,460,071
LP 10	2028-29	\$149,366,904	\$20,000,000	\$129,366,904	\$1.170	\$1,747,593	\$234,000	\$1,513,593	\$0	\$1,513,593	\$145,500	\$1,368,093
VP 1	2029-30	\$141,898,559	\$141,898,559	\$0	\$1.170	\$1,660,213	\$1,660,213	\$0	\$0	\$0	\$145,500	-\$145,500
VP 2	2030-31	\$134,803,631	\$134,803,631	\$0	\$1.170	\$1,577,202	\$1,577,202	\$0	\$0	\$0	\$145,500	-\$145,500
VP 3	2031-32	\$128,063,449	\$128,063,449	\$0	\$1.170	\$1,498,342	\$1,498,342	\$0	\$0	\$0	\$145,500	-\$145,500
VP 4	2032-33	\$121,660,277	\$121,660,277	\$0	\$1.170	\$1,423,425	\$1,423,425	\$0	\$0	\$0	\$0	\$0
VP 5	2033-34	\$115,577,263	\$115,577,263	\$0	\$1.170	\$1,352,254	\$1,352,254	\$0	\$0	\$0	\$0	\$0
						<b>\$29,764,355</b>	<b>\$9,851,437</b>	<b>\$19,912,918</b>	<b>-\$4,022,615</b>	<b>\$15,890,303</b>	<b>\$2,182,500</b>	<b>\$13,707,803</b>

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 Lyford Consolidated Independent School District  
Board of Trustees under the Texas Economic Development Act on the  
Application Submitted by Las Majadas Wind Farm, LLC  
(Tax ID 32061072362) (Application # 1150)

**ATTACHMENT F**  
**Comptroller's 2016 ISD**  
**Summary Worksheet**  
**For Lyford CISD**


**Taxes**

Property Tax Assistance

**2016 ISD Summary Worksheet**
**031/Cameron**
**245-902/Lyford CISD**

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	873,338	N/A	873,338	873,338
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	91,064	N/A	91,064	91,064
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	3,637,520	N/A	3,637,520	3,637,520
D2. Real Prop Farm & Ranch	0	N/A	0	0
E. Real Prop NonQual Acres	3,608,275	N/A	3,608,275	3,608,275
F1. Commercial Real	160,020	N/A	160,020	160,020
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	3,241,750	N/A	3,241,750	3,241,750
L1. Commercial Personal	84,115	N/A	84,115	84,115

L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
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	11,696,082		11,696,082	11,696,082
Less Total Deductions	758,488		758,488	758,488
Total Taxable Value	10,937,594		10,937,594	10,937,594 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
11,096,372	10,937,594	11,096,372	10,937,594

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
158,778	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
11,096,372	10,937,594	11,096,372	10,937,594

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

**108/Hidalgo**

**245-902/Lyford CISD**

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	735,038	N/A	735,038	735,038
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	101,867	N/A	101,867	101,867

C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	3,833,912	N/A	3,833,912	3,833,912
D2. Real Prop Farm & Ranch	197,953	N/A	197,953	197,953
E. Real Prop NonQual Acres	1,969,931	N/A	1,969,931	1,969,931
F1. Commercial Real	1,221,575	N/A	1,221,575	1,221,575
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	601,180	N/A	601,180	601,180
L1. Commercial Personal	1,115,753	N/A	1,115,753	1,115,753
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	74,809	N/A	74,809	74,809
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	9,852,018		9,852,018	9,852,018
Less Total Deductions	504,977		504,977	504,977
Total Taxable Value	9,347,041		9,347,041	9,347,041 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
9,492,370	9,347,041	9,492,370	9,347,041

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
145,329	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
9,492,370	9,347,041	9,492,370	9,347,041

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

## 245/Willacy

### 245-902/Lyford CISD

\*\* This district is in year 2 of the grace period.

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	63,837,150	.7125	89,596,000	63,837,150
B. Multi-Family Residences	981,392	N/A	981,392	981,392
C1. Vacant Lots	4,801,822	N/A	4,801,822	4,801,822
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	41,820,326	.8938	46,786,976	41,820,326
D2. Real Prop Farm & Ranch	1,669,952	N/A	1,669,952	1,669,952
E. Real Prop NonQu al Acres	26,563,158	N/A	26,563,158	26,563,158
F1. Commercial Real	5,372,139	N/A	5,372,139	5,372,139
F2. Industrial Real	3,559,921	N/A	3,559,921	3,559,921
G. Oil, Gas, Minerals	18,818,069	1.0346	18,188,739	18,818,069
J. Utilities	16,582,325	N/A	16,582,325	16,582,325
L1. Commercial Personal	423,526,518	N/A	423,526,518	423,526,518
L2. Industrial Personal	2,919,383	N/A	2,919,383	2,919,383
M. Other Personal	762,207	N/A	762,207	762,207

N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,270,099	N/A	1,270,099	1,270,099
Subtotal	612,484,461		642,580,631	612,484,461
Less Total Deductions	436,250,514		445,471,332	436,250,514
Total Taxable Value	176,233,947		197,109,299	176,233,947 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
185,575,083	176,233,947	185,575,083	176,233,947

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
9,341,136	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
585,252,073	575,910,937	585,252,073	575,910,937

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 invalid, but local value was certified because your school district is in year two of the grace period.

### 245-902/Lyford CISD

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	65,445,526	.7176	91,204,376	65,445,526
B. Multi-Family Residences	981,392	N/A	981,392	981,392
C1. Vacant Lots	4,994,753	N/A	4,994,753	4,994,753
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	49,291,758	.9085	54,258,408	49,291,758
D2. Real Prop Farm & Ranch	1,867,905	N/A	1,867,905	1,867,905

E. Real Prop NonQu al Acres	32,141,364	N/A	32,141,364	32,141,364
F1. Commercial Real	6,753,734	N/A	6,753,734	6,753,734
F2. Industrial Real	3,559,921	N/A	3,559,921	3,559,921
G. Oil, Gas, Mineral s	18,818,069	1.0346	18,188,739	18,818,069
J. Utilities	20,425,255	N/A	20,425,255	20,425,255
L1. Commercial Personal	424,726,386	N/A	424,726,386	424,726,386
L2. Industrial Personal	2,919,383	N/A	2,919,383	2,919,383
M. Other Personal	837,016	N/A	837,016	837,016
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,270,099	N/A	1,270,099	1,270,099
Subtotal	634,032,561		664,128,731	634,032,561
Less Total Deductions	437,513,979		446,734,797	437,513,979
Total Taxable Value	196,518,582		217,393,934	196,518,582 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

Findings and Order of the Lyford Consolidated Independent School District  
Board of Trustees under the Texas Economic Development Act on the  
Application Submitted by Las Majadas Wind Farm, LLC  
(Tax ID 32061072362) (Application # 1150)

**ATTACHMENT G**  
**Proposed Agreement Between**  
**Lyford CISD and**  
**Las Majadas Wind Farm, LLC**



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 8, 2017

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

Re: Agreement 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:

This office has been provided with the Agreement 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 (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Deisy Perez with our office. She can be reached by email at [deisy.perez@cpa.texas.gov](mailto:deisy.perez@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

A handwritten signature in black ink, reading "Will Counihan", is positioned below the word "Sincerely,".

Will Counihan  
Director  
Data Analysis & Transparency Division

cc: Sara Leon, O'Hanlon, Powell & Leon, LLP  
Matthew McCluskey, EDF Renewable Energy  
Melissa Miller, EDF Renewable Energy  
Robert Peña Jr., Texas Energy Consultants

**AGREEMENT 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**

*(Texas Taxpayer ID # 32061072362)*

Comptroller Application #1150

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Dated

August 8, 2017



313.026 of the TEXAS TAX CODE, and on February 1, 2017, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

**WHEREAS**, the District's Board of Trustees, by resolutions March 7, 2017 and June 12, 2017 extended the statutory deadline by which the District must consider the Application until June 30, 2017 and December 31, 2017 respectively, and the Comptroller was provided notice of such extensions as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

**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 8, 2017, 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 8, 2017, 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 8, 2017, 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 8, 2017, 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 8, 2017, 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 ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended or including any statutory amendments that are applicable to Applicant.

“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 Las Majadas Wind Farm, LLC (Texas Taxpayer ID #32061072362), 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 August 15, 2016 and amended on October 31, 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 Willacy County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Lyford Consolidated Independent School District.

“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 Willacy County, Texas.

“District” or “School District” means the Lyford Consolidated 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 60 (sixty) 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.

"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 constitution and laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools and school districts generally and the District specifically, in accordance with all provisions thereof applicable to any terms of this Agreement at the time any computation, calculation or obligation of either Party under this Agreement is required to be performed or for the period to which such computation, calculation or obligation relates, as applicable. The term includes any amendments or successor statutes that may be adopted in the future which affect the calculation of the District's Maintenance and Operations Revenue or the Applicant's ad valorem tax obligation to the District, in each case, either with or without the limitation on appraised value of property pursuant to this Agreement.

"Lost Mc&O Revenue" shall have the meaning set forth in Section 4.2.

"Maintenance and Operations Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's Maintenance and Operations Revenue lost as a result of such similar agreements, minus (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE, in each case, as any of the items in clauses (i), (ii), and (iv) above may be amended by Applicable School Finance Law from time to time, and plus or minus, as applicable, any other revenues, payments or amounts received or required to be reimbursed by the District from State and local funding for maintenance and operations purposes under Applicable School Finance Law, such that Maintenance and Operations Revenue shall be the net amount of all such revenues, payments or other amounts which the District is entitled to receive and retain from State and local funding for maintenance and operations purposes under Applicable School Finance Law.

"New Mc&O Revenue" means, with respect to any school year, the total State and local Maintenance and Operations Revenue that the District received, after all adjustments have been made to such Maintenance and Operations Revenue in accordance with the provisions of the Applicable School Finance Law for such school year.

"Net Tax Benefit" means, for any Tax Year during the term of this Agreement, 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 and all previous Tax Years 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 and all previous Tax Years

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.

“*Original M&O Revenue*” means, with respect to any school year, 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 Applicant’s Qualified Property been subject to the ad valorem maintenance and operations tax at the tax rate actually adopted by the District for the applicable Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local Taxable Values for each applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District, except that with respect to the Applicant’s Qualified Property during the Tax Limitation Period, such calculations shall use the Taxable Value for each applicable Tax Year of the Applicant’s Qualified Property which is used for the calculation of the District’s tax levy for debt service (interest and sinking fund) ad valorem tax purposes. For the calculation of Original M&O Revenue, the Taxable Value for Applicant’s Qualified Property for maintenance and operations ad valorem tax purposes will not be used during the Tax Limitation Period.

“*Third Party*” shall have the meaning set forth in Section 4.3

## **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 2.6 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 November 3, 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 8, 2017.

C. The Qualifying Time Period for this Agreement:

- i. Starts on the Application Approval Date; and
- ii. Ends on December 31, 2019, 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, 2019, the first complete Tax Year that begins after the date of commencement of Commercial Operation; and
- ii. Ends on December 31, 2028, 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, 2033.

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. Twenty Million Dollars (\$20,000,000.00)

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 Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period;
- B. Have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS

#### **Agreement for Limitation on Appraised Value**

Between Lyford Consolidated ISD and Las Majadas Wind Farm, LLC, #1150  
August 8, 2017  
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*Texas Economic Development Act Agreement  
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TAX CODE, New Qualifying Jobs as required by the Act; and

- C. Pay an average weekly wage of at least \$605.00 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), it is the intent of the Parties in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE that the District shall be compensated by the Applicant as provided in this Article IV for any Lost M&O 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 Lost M&O Revenue as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

Subject to the limitations contained in this Agreement (including Section 7.1), 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 in the first year of the Tax Limitation Period, and every year thereafter during the term of this Agreement.

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 Applicable 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.**

Subject to the limitations contained in this Agreement (including Section 7.1), the amount to be paid by the Applicant to compensate the District for loss of M&O Revenue resulting from, or on account of, this Agreement for each year starting in the first year of the Tax Limitation Period and ending on December 31<sup>st</sup> of the last year of the Tax Limitation Period (the "Lost M&O Revenue") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

Subject to the limitations contained in this Agreement (including Section 7.1), 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 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 this 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 only the full Maintenance and Operation Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

#### **Section 4.3. 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 and appointed each year by the District, subject to approval by Applicant in writing, which approval shall not unreasonably be withheld.

#### **Section 4.4. 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 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 and appointed under Section 4.3. 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 4.5. 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, at the time the Third Party selected under Section 4.3 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 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 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 4.6. 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 this Article IV, Article V, 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 four (4) years after 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 4.7. 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's Maintenance and Operation Revenue as a result of its participation in this Agreement. Such calculation 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 Article IV, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

**Section 4.8. PAYMENT BY APPLICANT.**

Subject to Section 4.9 below, 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. Subject to the limitation set

forth in this Section 4.8 below, 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. The Applicant shall only be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.7 exceed Fifteen Thousand Dollars (\$15,000) annually.

**Section 4.9. RESOLUTION OF DISPUTES.**

Should the Applicant disagree with the Third Party calculations made pursuant to this Article IV of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.4 for purposes of auditing or reviewing the information in connection with the certification. 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, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

**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 all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses directly and solely 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 caused directly by such project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 herein

**ARTICLE VI**  
**SUPPLEMENTAL PAYMENTS**

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

In interpreting the provisions of this Article VI, the Parties agree that, in addition to undertaking

the responsibility for the payment of all of the amounts set forth under Articles IV and 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 this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V, 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 6.2 and Section 6.3.

**Section 6.2. SUPPLEMENTAL PAYMENT.**

- 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 Applicant;
- 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; and
- D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s Average Daily Attendance for the previous school year, or any greater amount that may be then be permitted by Applicable School Finance Law with respect to this Agreement.
- E. If, for any year of this Agreement, the payment of the Supplemental Payment amount exceeds the Net Tax Benefit, the difference between the Supplemental Payment amount(s) due and owing and the Net Tax Benefit shall be carried forward from year to year into subsequent years of this Agreement until all Supplemental Payment amounts are paid in full.

**Section 6.3. 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 6.3.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 calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 per year or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s Average Daily Attendance for the previous school year.

**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 with 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;
- 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 ninety (90) 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 ninety (90) 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 Willacy 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 Willacy 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 ninety (90) 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 ninety (90) 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 Ten Million Dollars (\$10,000,000.00) 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:	Lyford Consolidated ISD	Powell & Leon. LLP
Attn:	Superintendent Eduardo Infante, or his successor	Sara Hardner Leon
Address:	P.O. Box 2220	115 Wild Basin Road #106
City/Zip:	Lyford, Texas 78569	West Lake Hills TX 78746
Phone :	(956) 347-3900	Phone : (512) 494-1177
Fax :	(956) 347-5588	Fax : (512) 494-1188
Email:	eduardo.infante@lyfordcisd.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:	Las Majadas Wind Farm, LLC	General Counsel
Attn:	Matthew McCluskey EDF Renewable Energy	EDF Renewable Energy
Address:	15445 Innovation Drive	15445 Innovation Drive
City/Zip:	San Diego, CA 92128	San Diego, CA 92128
Phone :	361-563-1416	
Fax :		
Email:	Matthew.mccluskey@edf-re.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.

**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 Willacy 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.

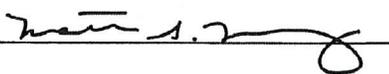
#### **Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.**

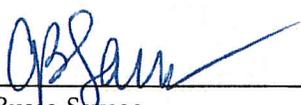
- A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other 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 8th day of August, 2017.

**LAS MAJADAS WIND FARM, LLC**

**LYFORD CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

By: 

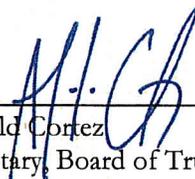
By: 

Name: Matthew S. McCluskey

Alison Busse-Savage  
President, Board of Trustees

Title: Director, Development

**ATTEST:**

By: 

Arnold Cortez  
Secretary, Board of Trustees

## **EXHIBIT 1**

### **DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE**

A map of the *Las Majadas Reinvestment Zone #1* is attached as the last page of this **EXHIBIT 1**. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Las Majadas Reinvestment Zone #1*.

Las Majadas Reinvestment Zone #1 is comprised of the following parcels.

Los Coyotes Subdivision Block

Two (2)

Lots One (1), Two (2), Three (3), Seven (7), Eight (8), Nine (9), Eleven (11), and Twenty (20).

Sorenson Phase One Subdivision

Lots Seven (7), Eight (8), Nine (9), Sixteen (16), Seventeen (17), Twenty (20), and Twenty-One (21).

Sorenson Phase Two Subdivision

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 27A (W ½), 27B, 28, 29-30, 31, 32, 32A, 32B, 32C, 33, 34, 35, 36, 37, 38, 39, 40, 41, 41A, 41B, 42B, 43, 44, 45 & 46

Share #03

Tract 1-4

Share #04

Tract 1, 1-A, 1-B, 1-E, & 2

Share # 07

Tract 2, 3, 5, 6, 6-A, 7, 8-1, 9, 9-A, 10, 10 (NW Crnr), 10-A, 11, 11B, 12, 13, 14, 14-D, 15, 15-A, 15-C, 17, 17A, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 (S ½), 34-A (N ½), 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 48-B, 49, 50-1, Lot 2, Tract 15-C-1, Lot 4

Share #08

Lot 1, Tract 31  
Lot 1 (INSIDE) & 2, Tracts 49 & 53

Lot 2, Tracts 16, 33, 44  
Lot 3, Tracts 17, 32, 43, 48  
Lot 4, Tracts 15, 34, 42, 47  
Lot 5, Tracts 22, 35, 52  
Lot 5 thru 6 (E PT), Tracts 41 & 63  
Lot 6, Tracts 21, 36, 51  
Lot 7, Tracts 20, & 37  
Lot 8, Tracts 19, 38, & 39  
Lot 9, Tract 18  
Lot 17, Tract 50  
Lot C, Tract 26  
Tracts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 (E PT), 11, 12, 13(A), 14 (N PT) (Outside pt), 23, 24, 25, 27 (E ½), 27 (W ½), 28, 29, 30, 40, 46, 54, 55 (S OF PILOT CHANNEL), 56 (N PILOT CHANNEL), 57 (N OF PILOT CHANNEL), 58, 59, 59A, 59A-1, 60, 60A-60B (OUTSIDE & INSIDE PT), 60C, 66, 67, 68, 69, 70, 71, 72, 73, 74

Share #09

Tract 45

Share #11

Lot 1C  
Lot 9, Tract 5

Share #12

Lot 1  
Lot 2, Tracts 1 (E ½) & 2 (W ½)  
Lot 3A  
Lot 3B  
Lot 3C  
Lot 3D, Block 3-5  
Lot 3F, Block 3-7  
Lot 3H, Block 3, Lot 9  
Lot 3H-1, Block 3, Lot 9  
Lot 3I, Lot 3-10  
Lot 3E, Block 3-6  
Lot 3G, Block 3-8  
Lot 4, Tracts 1 & 2  
Lot 11-14, Share 3-3G-3I & Share 4  
Lot 15  
Lot 16  
Lots 2-3  
Lot 6  
Lot 7  
Lot 8  
Lot 9  
Lot 10  
Tracts 1, 1-A, 3-5 (A, B-1, B-2, C, D), 6B-9

Share #13

Lot 7 & 8, Tracts, 30 & 31  
Tracts 16, 17, 18, 18A, 19, 19A,  
20, 21, 22, 23, 24, 25, 25B,  
Block A, Lots 1-2, 3, 4  
Block B, Lots 1,2, 3, 4, 4-1  
Block C (PT), Lot 1-9,  
Block D, Lot 3

Share #14

Lot 4, Tracts 8 (N PT), 9-9F (MID PT)  
Lot 6A, Tract 18-2  
Lot 1 (N ½)  
Lot 1-A-1  
Lot 1-C  
Lot 1-D  
Lot 1E-1F  
Lot 1-G  
Lot 1-I  
Lot 1-J  
Lot 1-K  
Lot 1L  
Lot 1-M & 1-N  
Lot 1-O  
Lot 1-V-1  
Lot 2A & 2B  
Lot 3A-3E  
Lot 3-F  
Lot 3-H  
Lot 3-I  
Lot 3-J  
Lot 3-K  
Lot 4A  
Lot 4B  
Lot 5A  
Lot 5A-2  
Lot 5B  
Lot 5B-2  
Lot 5B-3  
Lot 5-C  
Lot 5-C1  
Lot 5-D  
Lot 5-D1  
Lot 5-E  
Lot 5F-1 (S PT)  
Lot 5F-2 (N PT)  
Lot 6  
Lot 6A  
Lot 6-C  
Lot A  
Lot B  
Lot C

**Agreement for Limitation on Appraised Value**

Between Lyford Consolidated Independent School District and Las Majadas Wind Farm, LLC  
TEXAS COMPTROLLER APPLICATION NUMBER 1140  
August 8, 2017

Lot D  
Lot E  
Lot E-1  
Lot F  
Lot F-1  
Lot G  
Lot 3 (All) – 4A  
Lot 4  
Lot 5  
Tracts 7, 8A-1, 10, 12, 13-1 & 15,  
14, 16, 17, 19, 19A, 22, 23, 20

Share #15

Lot A, Tract 27  
Lot D, Tract 24  
Lot F, Tract 20 (S PT)-21 (N ½ OF  
S ½)  
Lot 1-7, Tract 27, Part 8  
Lot 6, Tract 31-1  
Lot 8, Share B, Tract 10, 10A  
Lot 8-A, Tract 11  
Lot 8-D, Tract 2 (INT IN B-F)  
Lot 8-E, Tract 3  
Lot 9, Tract 14  
Lot 10, Tract 26  
Lot 13, Tracts 16, 18, 19  
Lot 22, North Part  
Tracts 1 & 32, 4 (PT), 7 & 29, 9,  
12, 15, 30-11, 33, 34, 35, 37 (S W  
CRNR), 38, 39,40-3

Share #25

Lot D, Tract 1, 3, 4-A & 4-C, 4-B,  
6, 17  
Tract 8, 9B, 10, 10A, 11B

Share #34

Lot 1-2, Tracts A, B, D, E,  
Lot 2, Tracts C & 1  
Lot 3, Tracts F, G  
Lot 4, Tracts 6, 7, H  
Lot 5, Tract I  
Lot 7A, Tract K-1

Share #45

Lot 6A  
Lot 6B  
Lot 6C  
Lot 7A  
Lot 7B  
Lot 7C  
Lot 7D  
Tracts 20 (N PT OF W71 OF S  
1/3), 21, 22(E PT OF S 1/3), 22A

La Jarita Subdivision

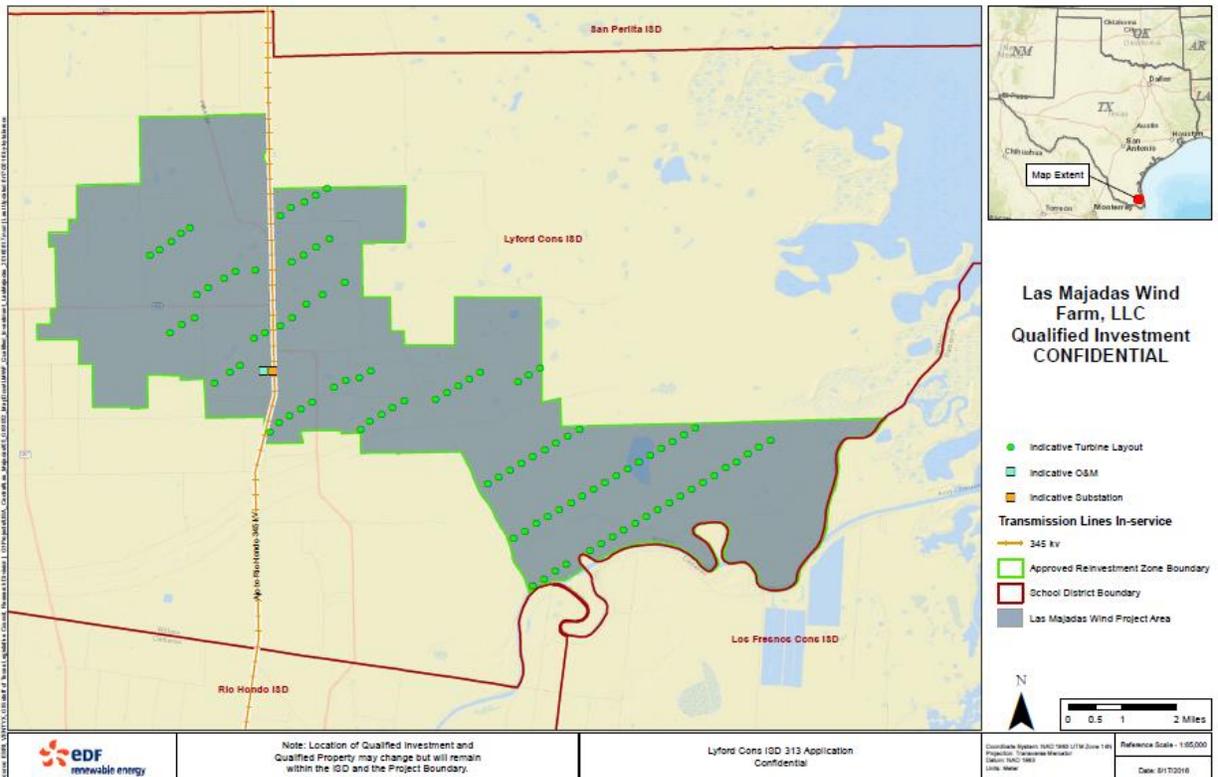
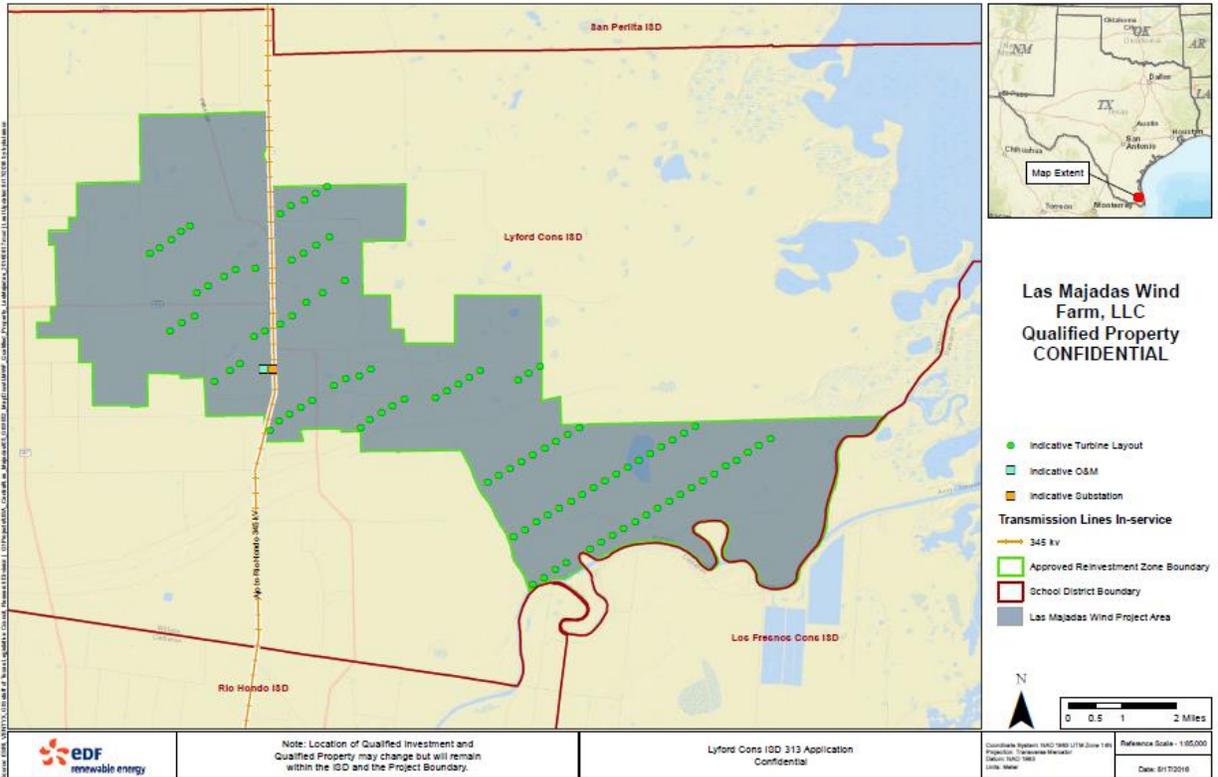
Block 1, Lots 1, 2, & 3

Clark Subdivision

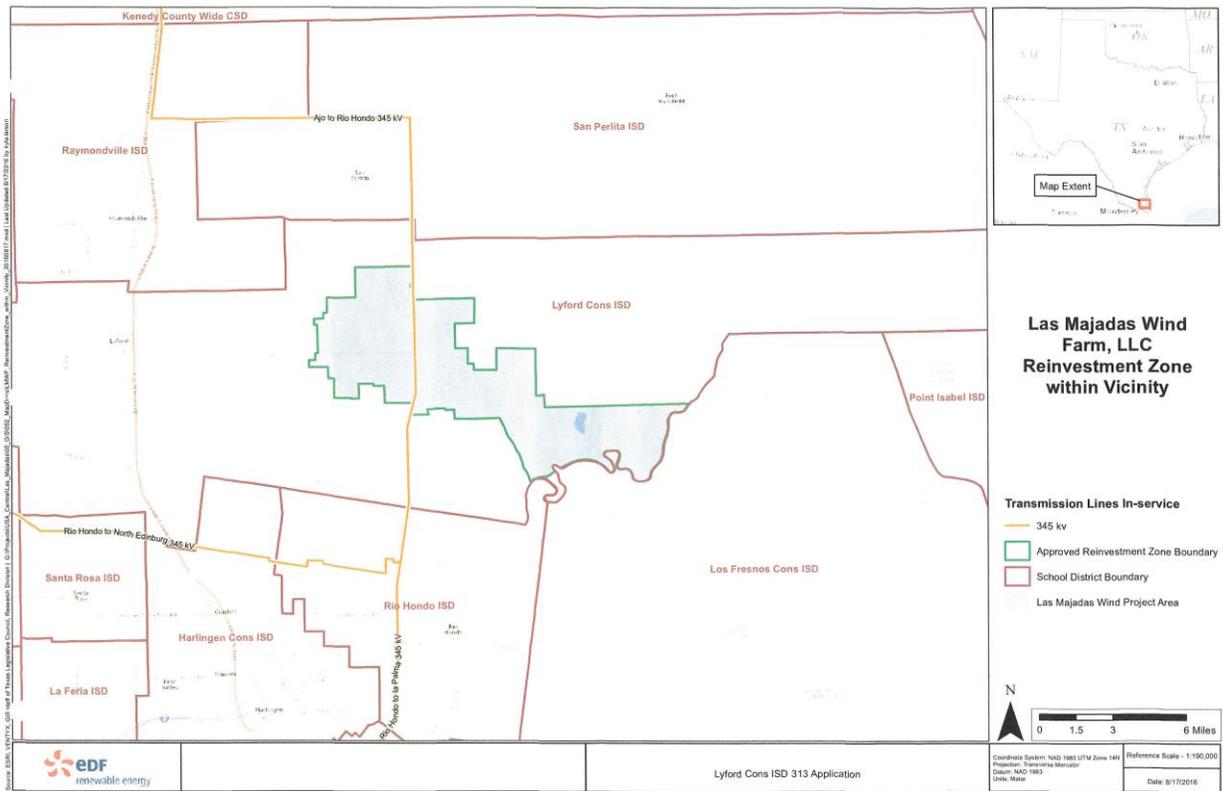
Lots 1 & 2  
Lot 2  
Lot 3A  
Lot 3B (W PT)  
Lot 4 thru 5  
Lot 6A (W PT)  
Lot 6B  
Lot 11B, Tract 1  
Lot 12 thru 13 & 14A

Craig, C E Subdivision

Lots 1& 2  
Lots 3 & 4A  
Lot 3A  
Lot 4B-7



**Agreement for Limitation on Appraised Value**  
 Between Lyford Consolidated Independent School District and Las Majadas Wind Farm, LLC  
 TEXAS COMPTROLLER APPLICATION NUMBER 1140  
 August 8, 2017



**Agreement for Limitation on Appraised Value**  
 Between Lyford Consolidated Independent School District and Las Majadas Wind Farm, LLC  
 TEXAS COMPTROLLER APPLICATION NUMBER 1140  
 August 8, 2017

**EXHIBIT 1**

## EXHIBIT 2

### DESCRIPTION AND LOCATION OF LAND

The Land upon which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the maps attached to **Exhibit 1**. The Land upon which the Qualified Investment shall be made and upon which the Qualified Property shall located shall be one hundred percent (100%) contained within the boundaries of the *Las Majadas Reinvestment Zone #1*, which is located within the boundaries of the Lyford Consolidated Independent School District.

#### **Agreement for Limitation on Appraised Value**

Between Lyford Consolidated Independent School District and Las Majadas Wind Farm, LLC

TEXAS COMPTROLLER APPLICATION NUMBER 1140

August 8, 2017

### **EXHIBIT 3**

#### **APPLICANT'S QUALIFIED INVESTMENT**

Specifically, all Qualified Investment of the Applicant is 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 1**. This Agreement covers Qualified Investment necessary for commercial operations as more fully described in Attachment 7 of the Application, attached hereto as **EXHIBIT 3**.

**Agreement for Limitation on Appraised Value**

Between Lyford Consolidated Independent School District and Las Majadas Wind Farm, LLC

TEXAS COMPTROLLER APPLICATION NUMBER 1140

August 8, 2017

## Attachment 7

### *Description of Qualified Investment*

- 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(7) (Tab 7).*

The Applicant is requesting an appraised value limitation on all of the property to be constructed or placed upon the real property within Lyford ISD, which is located in Willacy County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 120 wind turbines, ranging from an estimated 1.7 to 3.0 megawatts with a generating capacity of approximately 202 MW; up to 120 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 120 electric power transformers; electric poles and conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the 345kV Ajo to Rio Hondo transmission line located in eastern Willacy County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Qualified Investment Map Exhibit 11b.

During 2016, the Applicant obtained Reinvestment Zone designation and approval from Willacy County Commissioners Court for the proposed project area and areas of consideration.

None of the above mentioned property is covered under an existing County Appraisal District account number.

- 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).*

The Applicant intends to construct a building to house maintenance and operations, supplies, replacement parts and other miscellaneous related equipment. The Applicant will also be constructing an electrical sub-station facility for integration and transmission of power into the electrical grid.

Attachment to Application for 313 Appraised Value Limitation  
by Las Majadas Wind Energy Project, LLC to Lyford CISD

#### **Agreement for Limitation on Appraised Value**

Between Lyford Consolidated Independent School District and Las Majadas Wind Farm, LLC

TEXAS COMPTROLLER APPLICATION NUMBER 1140

August 8, 2017

## **EXHIBIT 4**

### **DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY**

This Agreement covers all qualified property within Lyford CISD necessary for the commercial operations, as more fully described in Attachment 8 of the Application, attached hereto as **EXHIBIT 4**. All Qualified Property will be located within the boundaries indicated on the maps attached in **EXHIBIT 1**.

## Attachment 8

### *Description of Qualified Property*

Las Majadas Wind Farm, LLC plans to construct an estimated 202 MW wind farm in Willacy County, located entirely within Lyford CISD. Additional improvements of Qualified Property include:

- Approximately 65 to 120 Wind turbines ranging in size from 1.7 to 3.0 Megawatts,
- Approximately 65 to 120 Foundations for the Turbines,
- Several thousand feet of Transmission Collection System cable & Junction Boxes,
- Overhead Transmission and Interconnection infrastructure,
- Additional meteorological towers,
- All weather road work sloped for drainage,
- Operations and maintenance building, warehouse for storage of spare parts, and control systems necessary for commercial generation of electricity,
- An Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using approximately 65 to 120, 1.7 to 3.0 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Lyford CISD. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. Las Majadas intends to connect to 345kV Ajo to Rio Hondo transmission line internal to the Project, located in Lyford CISD. All of the infrastructure will remain within the project boundary and within the Reinvestment Zone per the map in Attachment 11b.

Attachment to Application for 313 Appraised Value Limitation  
by Las Majadas Wind Energy Project, LLC to Lyford CISD

#### **Agreement for Limitation on Appraised Value**

Between Lyford Consolidated Independent School District and Las Majadas Wind Farm, LLC

TEXAS COMPTROLLER APPLICATION NUMBER 1140

August 8, 2017

Findings and Order of the Lyford Consolidated Independent School District  
Board of Trustees under the Texas Economic Development Act on the  
Application Submitted by Las Majadas Wind Farm, LLC  
(Tax ID 32061072362) (Application # 1150)

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

**IMPORTANT: Please keep this letter with your district's records. It must be accessible to the law firm working on the value limitation agreement.**

November 14, 2016

Marina Rivera Quilantan, President  
Board of Trustees  
Lyford Independent School District  
PO Box 220  
Lyford, TX 78569-0220

Dear Mrs. Quilantan:

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

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

Sincerely,



Al McKenzie  
Director of State Funding

AM/rk  
Cc: Eduardo Infante