

Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

- 1. What is the estimated number of permanent jobs...
2. What is the last complete calendar quarter before application review start date:
3. What were the number of permanent jobs...
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...
6a. If yes, attach evidence in Tab 12...
7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below...
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project?
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)?
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)?
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?
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.

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**TAB 5***Documentation to assist in determining if limitation is a determining factor.*

First Solar Development, LLC (“First Solar”), the parent of Morada del Sol, LLC, is a national solar developer with project opportunities across the United States, including California, Arizona, Georgia and elsewhere. The ability to enter into a value limitation agreement with McCamey ISD is a determining factor for constructing the project in Upton County, Texas, as opposed to building and investing in another county, state or region. First Solar is considering investing in Louisiana, Alabama, Georgia, Florida, North Carolina, Virginia, California, Arizona, New Mexico, and Colorado.

First Solar is actively developing and constructing other projects throughout the US and internationally through its affiliates. The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liabilities of a project without tax incentives in Texas, including a value limitation agreement with McCamey ISD, lower the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives. We want to avoid a situation where the applicant would be forced to have its development capital and prospective investment funds spent in other states where the rate of return is higher on a project basis.

However, the proposed site in Upton County is a desirable business location and can provide electricity at a price that is competitive with other projects in Upton County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained. Electric utilities and other wholesale electricity buyers are focused on providing low-cost energy to their customers, and contracting for the sale of solar electricity is highly competitive. Receiving a value limitation agreement from McCamey ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Upton County.

**About First Solar**

Through its affiliates, First Solar is the leading global provider of comprehensive photovoltaic (PV) solar energy solutions. With vertically integrated capabilities improving every aspect of the solar value chain, the company delivers power plant solutions that maximize value and mitigate risk for customers worldwide.

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**TAB 10***Description of all property not eligible to become qualified property (if applicable)*

None, not applicable. There is no solar energy-related property owned by the Applicant on the land. There is no existing property in the reinvestment zone or project area that would qualify for a Chapter 313 agreement. More specifically, **none** of the following property that would be eligible for a Chapter 313 agreement presently exists in the reinvestment zone or project area:

1. manufacturing
2. research and development
3. a clean coal project as defined by Section 5.001, Water Code
4. an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
5. renewable energy electric generation
6. electric power generation using integrated gasification combined cycle technology
7. nuclear electric power generation
8. a computer center that is used as an integrated part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)
9. a Texas Priority Project, as described by 313.024(e)(7) and TAC 9.1051.

Morada del Sol, LLC will lease the land where the Project improvements will be located.