# FINDINGS OF THE

# CRANE INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY

SP-HORSEHEAD CROSSING SOLAR, LLC Texas Taxpayer ID #32062186138 Application #1182

October 12, 2017

#### Board Findings of the Crane Independent School District

### FINDINGS OF THE CRANE INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY SP-HORSEHEAD CROSSING SOLAR, LLC

STATE OF TEXAS	
	(
COUNTY OF CRANE	(

On the 12<sup>th</sup> day of October, 2017, a public meeting of the Board of Trustees of the Crane Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the Application of SP-Horsehead Crossing Solar, LLC (Application #1182) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Crane Independent School District makes the following findings with respect to the Application of SP-Horsehead Crossing Solar, LLC #1182, and the economic impact of that Application:

On March 21, 2017, the Superintendent of Schools of the Crane Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from SP-Horsehead Crossing Solar, LLC #1182 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, SP-Horsehead Crossing Solar, LLC (Taxpayer Id. No. 32062186138) ("Applicant"), consists of entities subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the Application was complete was issued on April 26, 2017. A copy of the Comptroller's completeness letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on June 14, 2017 pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

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

#### Board Findings of the Crane Independent School District

The Board of Trustees has confirmed that the taxable value of property in the Crane 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 Crane ISD is \$193,760,920—\$179,480,000 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 \$58,000 per year. The review of the Application by the State Comptroller's Office indicates that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Section 313.021, Texas Tax Code.

#### Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$97 million on the basis of the 2 new qualifying positions committed to by the Applicant for this project. The project's total investment is \$193,760,920, resulting in a relative level of investment per qualifying job of \$96,880,460.

#### 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. The Board notes that the number of jobs proposed for this project (2 jobs) is consistent with industry standards in the renewable energy 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.

Tab	ole 2: Estima	ated Statewide Econon	nic Impact	of SI	P-Horsehead	d Crossi	ng Solar, LLC	(mode	eled)	
		Employment								
Year	Direct	irect Indirect + Induced Total			Direct	Indire	ect + Induced	Total		
2017	0	0	0	\$	0	\$	0	\$	0	
2018	100	114	214	\$	3,750,000	\$	9,860,000	\$	13,610,000	
2019	202	239	441	\$	7,616,000	\$	22, 115,000	\$	29,731,000	
2020	2	47	49	\$	116,000	\$	6,080,000	\$	6,196,000	
2021	2	22	24	\$	116,000	\$	4,034,000	\$	4,150,000	
2022	2	5	7	\$	116,000	\$	2,398,000	\$	2,514,000	
2023	2	(5)	-3	\$	116,000	\$	1,287,000	\$	1,403,000	
2024	2	(9)	-7	\$	116,000	\$	599,000	\$	715,000	
2025	2	(9)	-7	\$	116,000	\$	265,000	\$	381,000	
2026	2	(8)	-6	\$	116,000	\$	151,000	\$	267,000	
2027	2	(6)	-4	\$	116,000	\$	169,000	\$	285,000	
2028	2	(3)	-1	\$	116,000	\$	285,000	\$	401,000	
2029	2	(0)	2	\$	116,000	\$	475,000	\$	591,000	
2030	2	2	4	\$	116,000	\$	659,000	\$	775,000	
2031	2	4	6	\$	116,000	\$	843,000	\$	959,000	
2032	2	5	7	\$	116,000	\$	1,005,000	\$	1,121,000	
2033	2	6	8	\$	116,000	\$	1,136,000	\$	1,252,000	
2034	2	6	8	\$	116,000	\$	1,226,000	\$	1,342,000	

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Crane County, Crane County Farm-to-Market and Lateral Road, Crane Hospital District and Crane County Water District, with all property tax incentives being sought using estimated market value from the Application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district. The difference noted in the last line is the difference between Table 3 and Table 4:

	Table 4: Estimated Direct Ad Valorem Taxes with all property tax incentives sought																
Year	Estimated	Estimated		CISD		CISD		CISD		Crane		Crane		ne County	ne County		stimated
		Taxable Value	_	I&S		M&O		and I&S		County		ital District		and Lateral	er District	Tot	al Property
	for I&S	for M&O		Гах Levy		Tax Levy	Ta	x Levies	1	Tax Levy	Т	ax Levy		Tax Levy	ax Levy		Taxes
			Tax Rate1	0.0675		1.0600				0.00748		0.3300	0.05	552	0.003450		
2020	\$ 167,095,880	\$ 25,000,000	\$	112,790	\$	265,000	\$	377,790	Ş	258,942	\$	110,283	\$	92,170	\$ 576,481	\$	747,015
2021	\$ 153,706,672	\$ 25,000,000	\$	103,752	\$	265,000	\$	368,752	\$	238,193	\$	101,446	\$	84,785	\$ 530,288	\$	708,392
2022	\$ 139,258,532	\$ 25,000,000	\$	94,000	\$	265,000	\$	359,000	\$	215,804	\$	91,911	\$	76,815	\$ 480,442	\$	666,714
2023	\$ 123,643,772	\$ 25,000,000	\$	83,460	\$	265,000	\$	348,460	\$	191,606	\$	81,605	\$	68,202	\$ 426,571	\$	621,670
2024	\$ 106,790,600	\$ 25,000,000	\$	72,084	\$	265,000	\$	337,084	Ş	165,489	\$	70,482	\$	58,906	\$ 368,428	\$	573,055
2025	\$ 88,591,328	\$ 25,000,000	\$	59,799	\$	265,000	\$	324,799	\$	137,287	\$	58,470	\$	48,867	\$ 305,640	\$	520,556
2026	\$ 68,938,268	\$ 25,000,000	\$	46,533	\$	265,000	\$	311,533	\$	106,831	\$	45,499	\$	38,026	\$ 237,837	\$	463,864
2027	\$ 47,705,784	\$ 25,000,000	\$	32,201	\$	265,000	\$	297,201	Ş	73,928	\$	31,486	\$	26,315	\$ 164,585	\$	402,615
2028	\$ 35,896,000	\$ 25,000,000	\$	24,230	\$	265,000	\$	289,230	Ş	55,627	\$	23,691	\$	19,800	\$ 123,841	\$	368,548
2029	\$ 35,896,000	\$ 25,000,000	\$	24,230	\$	265,000	\$	289,230	Ş	55,627	\$	23,691	\$	19,800	\$ 123,841	\$	368,548
2030	\$ 50,896,000	\$ 50,896,000	\$	34,355	\$	539,498	\$	573,852	Ş	394,358	\$	167,957	\$	28,074	\$ 175,591	S	1,136,167
2031	\$ 49,861,000	\$ 49,861,000	\$	33,656	\$	528,527	\$	562,183	Ş	386,338	\$	164,541	\$	27,503	\$ 172,020	\$	1,113,063
2032	\$ 48,742,000	\$ 48,742,000	\$	32,901	\$	516,665	\$	549,566	Ş	377,668	\$	160,849	\$	26,886	\$ 168,160	\$	1,088,083
2033	\$ 47,534,500	\$ 47,534,500	\$	32,086	\$	503,866	\$	535,951	\$	368,312	\$	156,864	\$	26,220	\$ 163,994	\$	1,061,127
2034	\$ 46,229,500	\$ 46,229,500	\$	31,205	\$	490,033	\$	521,238	Ş	358,200	\$	152,557	\$	25,500	\$ 159,492	\$	1,031,995
			Total \$	817,280	\$	5,228,588	\$ 6	,045,868	Ş	3,384,211	\$	1,441,333	\$	667,869	\$ 4,177,211	\$	10,871,412
			Diff \$	0	\$	7,605,742	\$ 7	,605,742	\$	5,997,333	\$	2,554,260	Ş	0	\$ 0	\$	16,157,336

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

#### Board Findings of the Crane Independent School District

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		I	CISD [&S x Levy		CISD M&O Tax Levy		CISD &O and I&S l'ax Levies		Crane County 'ax Levy	Hosp	Crane ital District ax Levy	F.M.	ne County and Lateral I Tax Levy	Wa	ane County ter District l'ax Levy	Estimated tal Property Taxes
			Tax Rate <sup>1</sup>		0.0675		1.0600				0.00748		0.3300		0.0552		0.003450	
2020	\$ 167,095.880	\$ 167,095,880		\$ 1	112,790	\$	1,771,216	\$	1,884,006	\$	1,294,711	\$	551,416	Ş	92,170	\$	576,481	\$ 3,730,133
2021	\$ 153,706,672	\$ 153,706,672		\$ 1	103,752	\$	1,629,291	\$	1,733,043	\$	1,190,967	\$	507,232	\$	84,785	\$	530,288	\$ 3,431,242
2022	\$ 139,258,532	\$ 139,258,532		\$	94,000	\$	1,476,140	\$	1,570,140	\$	1,079,018	\$	459,553	\$	76,815	\$	480,442	\$ 3,108,711
2023	\$ 123,643,772	\$ 123,643,772		\$	83,460	\$	1,310,624	\$	1,394,084	\$	958,030	\$	408,024	\$	68,202	\$	426,571	\$ 2,760,138
2024	\$ 106,790,600	S 106,790,600		\$	72,084	\$	1,131,980	\$	1,204,064	\$	827,447	\$	352,409	\$	58,906	\$	368,428	\$ 2,383,920
2025	\$ 88,591,328	\$ 88,591,328		\$	59,799	\$	939,068	\$	998,867	Ş	686,433	\$	292,351	\$	48,867	\$	305,640	\$ 1,977,652
2026	\$ 68,938,268	\$ 68,938,268		\$	46,533	\$	730,746	\$	777,279	\$	534,155	\$	227,496	\$	38,026	\$	237,837	\$ 1,538,930
2027	\$ 47,705,784	\$ 47,705,784		\$	32,201	\$	505,681	\$	537,883	\$	369,639	\$	157,429	\$	26,315	\$	164,585	\$ 1,064,951
2028	\$ 35,896,000	\$ 35,896,000		\$	24,230	\$	380,498	\$	404,727	Ş	278,133	\$	118,457	\$	19,800	\$	123,841	\$ 801,318
2029	\$ 35,896,000	\$ 35,896,000		\$	24,230	\$	380,498	\$	404,727	Ş	278,133	\$	118,457	\$	19,800	\$	123,841	\$ 801,318
2030	\$ 50,896,000	\$ 50,896,000		\$	34,355	\$	539,498	\$	573,852	Ş	394,358	\$	167,957	\$	28,074	\$	175,591	\$ 1,136,167
2031	\$ 49,861,000	\$ 49,861,000		\$	33,656	\$	528,527	\$	562,183	Ş	386,338	\$	164,541	\$	27,503	\$	172,020	\$ 1,113,063
2032	\$ 48,742,000	\$ 48,742,000		\$	32,901	\$	516,665	\$	549,566	Ş	377,668	\$	160,849	\$	26,886	\$	168,160	\$ 1,088,083
2033	\$ 47,534,500	\$ 47,534,500		\$	32,086	\$	503,866	\$	535,951	Ş	368,312	\$	156,864	\$	26,220	\$	163,994	\$ 1,061,127
2034	\$ 46,229,500	\$ 46,229,500		\$	31,205	\$	490,033	\$	521,238	Ş	358,200	\$	152,557	\$	25,500	\$	159,492	\$ 1,031,995
			Total	\$ 8	817,280	\$	12,834,330	\$	13,651,610	S	9,381,544	\$	3,995,593	\$	667,869	\$	4,177,211	\$ 27,028,748

<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. Attachment B of the economic impact study contains a year-by-year analysis as depicted in the following table:

Board Findings of the Crane Independent School District

	Tax Year	Estimated ISD M&O		Estim	ated ISD M&O	Estima	ted ISD M&O	Estimated ISD M&O				
		Tax L	evy Generated	Tax I	Levy Generated	Tax Lev	y Loss as Result	Tax Le	vy Loss as Result			
			Annual)	(0	Cumulative)	of Agree	ement (Annual)	of Agree	ment (Cumulative			
Limitation	2017	\$	0	\$	0	\$	0	\$	0			
Pre-Years	2018	\$	95,124	\$	95,124	\$	0	\$	0			
116-16418	2019	\$	1,902,488	\$	1,997,612	\$	0	\$	0			
	2020	\$	265,000	\$	2,262,612	\$	1,506,216	\$	1,506,216			
	2021	\$	265,000	\$	2,527,612	\$	1,364,291	\$	2,870,507			
	2022	\$	265,000	\$	2,792,612	\$	1,21 1,140	\$	4,081,647			
Limitation	2023	\$	265,000	\$	3,057,612	\$	1,045,624	\$	5,127,271			
Period	2024	\$	265,000	\$	3,322,612	\$	866,980	\$	5,994,252			
(10 Years)	2025	\$	265,000	\$	3,587,612	\$	674,068	\$	6,668,320			
(10 Tears)	2026	\$	265,000	\$	3,852,612	\$	465,746	\$	7,134,066			
	2027	\$	265,000	\$	4,1 17,612	\$	240,681	\$	7,374,747			
	2028	\$	265,000	\$	4,382,612	\$	1,15,498	\$	7,490,244			
	2029	\$	265,000	\$	4,647,612	\$	1,15,498	\$	7,605,742			
Maintain Viable Presence (5 Years)	2030	\$	539,498	\$	5,187,1 10	\$	0	\$	7,605,742			
	2031	\$	528,527	\$	5,715,637	\$	0	\$	7,605,742			
	2032	\$	516,665	\$	6,232,302	\$	0	\$	7,605,742			
	2033	\$	503,866	\$	6,736,168	\$	0	\$	7,605,742			
	2034	\$	490,033	\$	7,226,200	\$	0	\$	7,605,742			
	2035	\$	475, 103	\$	7,701,303	\$	0	\$	7,605,742			
	2036	\$	458,980	\$	8,160,283	\$	0	\$	7,605,742			
	2037	\$	441,570	\$	8,601,852	\$	0	\$	7,605,742			
dditional Years as	2038	\$	422,760	\$	9,024,612	\$	0	\$	7,605,742			
Required by	2039	\$	412,298	\$	9,436,910	\$	0	\$	7,605,742			
313.026(c)(1)	2040	\$	412,298	\$	9,849,207	\$	0	\$	7,605,742			
(10 Years)	2041	\$	412,298	\$	10,261,505	\$	0	\$	7,605,742			
` ′	2042	\$	412,298	\$	10,673,803	\$	0	\$	7,605,742			
	2043	\$	412,298	\$	11,086,100	\$	0	\$	7,605,742			
	2044	\$	412,298	\$	11,498,398	\$	0	\$	7,605,742			
	,	\$	11,498,398	is	greater than	\$	7,605,742	_				
					9	· ·		_				

#### 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 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:

- A. Per SP-Horsehead Crossing Solar, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
  - 1. "The applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project... and (ii) to secure long-term project related capital from the limited pool of third-party institutional solar investors that have the very significant resources needed to construct and operate a project of this size."

- 2. "Applicant is competing with solar developers that are developing large solar projects in other states and are also seeking long-term financing from this same small pool of institutional investors as applicant. These institutions have investment hurdle rates, and generally require investment returns of at least 6.5%. At the same time, applicant's solar project is viable only if it is able to sell electricity at competitive prices with the Texas market, which has low electricity rates when compared with most other states. These duel constraints of investor return requirements and the need to offer competitively priced electricity means that the applicant's solar project... [is] viable only if coupled with tax abatements or other forms of support or relief... Without the value limitation, the solar projects outside of Texas, located in Colorado [and] New Mexico would receive the constrained capital. With the value limitation approved, applicant's Texas project ROI is near the hurdle required in order to secure capital investment."
- 3. The Applicant has multiple other projects outside of Texas that are competing for development and project capital investment. The value limitation is essential to improving the project economics to a point that we can consider bringing this project to Texas. Solar projects and their associated components are modular and can be deployed anywhere in the USA or the world that provides acceptable return on investment.

#### **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

#### Board Finding Number 12.

The Board of Trustees of the Crane Independent School District hired consultants to review and verify the information in Application #1182. 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-Five 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. 32062186138) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

### Board Finding Number 15.

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

#### Board Finding Number 16.

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

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and herby authorized to be executed and delivered by and on behalf of the Crane 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 Crane Independent School District.

Dated the 12<sup>th</sup> day of October, 2017.

CRANE INDEPENDENT SCHOOL DISTRICT

By:

Alan Swinford

President, Board of Trustees

ATTEST:

By:

Wally Cox

Secretary, Board of Trustees

Findings and Order of the Crane Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by SP-Horsehead Crossing Solar, LLC (Tax ID 32062186138) (Application #1182)

ATTACHMENT A
Application of
SP-Horsehead Crossing Solar, LLC



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

Economic Development and Analysis

Form 50-296-A

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
  - the date on which the school district received the application:
  - the date the school district determined that the application was complete:
  - the date the school board decided to consider the application; and
  - a request that the Comptroller prepare an economic impact analysis of the application;
- · provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34.
   Texas Administrative Code (TAC) Section 9 1054, and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this
  application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9. Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district, Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the aconomic impact evaluation or consider the application at any time during the application review period.

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

SECTION 1: School District Information		
Authorized School District Representative     03/21/2017		
Date Application Received by District		
Bill	Boyd	
First Name	Last Name	
Superintendent		
Title		
Crane Independent School District		
School District Name		
511 West 8th		
Street Address		
511 West 8th		
Mailing Address		
Crane	Texas	79731
City	State	ZIP
432-558-1022	432-558-1025	
Phone Number	Fax Number	
432-230-6838	bboyd@craneisd.com	
Mobile Number (optional)	Email Address	

Does the district authorize the consultant to provide and obtain information related to this application?



SECTION 1: School District Information (continued)		
3. Authorized School District Consultant (If Applicable)		
Sara First Name Attorney Title Powell and Leon	Leon Last Name	
Firm Name		
512-494-1177 Phone Number Mobile Number (optional)	512-494-1188  Fax Number  sleon@powell-leon.com  Email Address	3/27/17
<ol><li>On what date did the district determine this application complete?</li></ol>	Printerior de la companie de la comp	STATTIT
<ol><li>Has the district determined that the electronic copy and hard copy are</li></ol>	identical?	✓ Yes No
SECTION 2: Applicant Information		
1. Authorized Company Representative (Applicant)		
Robert First Name Authorized Representative 777 S High St.	Reichenberger  Last Name SP-Horsehead Crossing Solar LLC Organization	
Street Address Suite 100		
Mailing Address	04047	
Denver City 303-886-1162	CO State 303-593-1182	80209 ZIP
Phone Number	Fax Number robert@solar-prime.com	
Mobile Number (optional)	Business Email Address	
Will a company official other than the authorized company representation information requests?      The second secon	ve be responsible for responding to future	Yes 🗸 No
First Name	Last Name	
Title	Organization	
Street Address		
Mailing Address		
City	State	ZIP
Phone Number	Fax Number	
Motele Number roptional)	Business Email Address	
Does the applicant authorize the consultant to provide and obtain inform	mution colots duta this conficulty 2	FOR DOMESTIC



## SECTION 2: Applicant Information (continued)

4.	. Authorized Company Consultant (If Applicable)		
Fi	rst Name Last Name		
Tit	De Company of the Com		
Fir	rm Name		
Pr	hone Number Fax Number		
Вы	usiness Email Address		
5	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 application application of the application is submitted to the school district.	cation shal	
	<ol> <li>If yes, attach in Tab 2 proof of application fee paid to the school district.</li> </ol>		
tric	or the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value mad ct 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 rithe agreement for limitation on appraised value.	te to the so of, or con	chool dis- sideration
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
5	SECTION 4: Business Applicant Information		
1.	What is the legal name of the applicant under which this application is made?  SP-Horsehead Crossing Solar	LLC	
2	List the Texas Taxpayer I D. number of entity subject to Tax Code, Chapter 171 (11 digits)	0621861	38
3	List the NAICS code	221114	
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		
S	SECTION 5: Applicant Business Structure		
1.	Identify Business Organization of Applicant (corporation, limited liability corporation, etc.)  Limited Liability Corpor	ation	
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	✓ NA
5.	If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, definiquencies and/or any material litigation including litigation involving the State of Texas (If necessary, attach explanation in Tab 3)		



	ECII	DN 6: Eligibility Under Tax Code Chapter 313.024				
1.	Are y	ou an entity subject to the tax under Tax Code, Chapter 171?	1	Yes		No
2.	The p	roperty will be used for one of the following activities.	L. Trans		-	
	(1)	manufacturing		Yes	1	No
	(2)	research and development		Yes	1	No
	(3)	a clean coal project, as defined by Section 5.001, Water Code		Yes	1	No
	(4)	an advanced clean energy project, as defined by Section 382 003. Health and Safety Code		Yes	1	No
	(5)	renewable energy electric generation	1	Yes		No
	(6)	electric power generation using integrated gasification combined cycle technology		Yes	1	No
	(7)	nuclear electric power generation		Yes	1	No
	(8)	a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by			-	
	15207	applicant in one or more activities described by Subdivisions (1) through (7)		Yes	1	No
		a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9 1051		Yes	1	No
3.	Are yo	ou requesting that any of the land be classified as qualified investment?		Yes	1	No
4.	Will a	ny of the proposed qualified investment be leased under a capitalized lease?		Yes	1	No
5.	Will a	ny of the proposed qualified investment be leased under an operating lease?		Yes	1	No
6.	Are yo	ou including property that is owned by a person other than the applicant?		Yes	1	No
7.	Will a	by property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of				
	your c	ualified investment?	Ш	Yes	V	No
	ECTIO	DN 7: Project Description				
1	4	AND THE PROPERTY OF THE PROPER			100	
	In Tab	<ol> <li>attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information.</li> </ol>	real a	ind tan	gible ;	per-
	sonal	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of	real a	ind tan	igible j	per-
	Sonal	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information.			igible ;	per-
	Sonal Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. the project characteristics that apply to the proposed project:			igible j	per-
2.	Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information.  The project characteristics that apply to the proposed project  Land has no existing improvements			gible į	per-
2.	Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project:  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  N. 8: Limitation as Determining Factor	ection	13)		
2.	Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information.  The project characteristics that apply to the proposed project:  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas	ection			No
2.	Check  Ch	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project:  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  Land has existing improvements (complete Section 13)  Relocation within Texas	ection	13) Yes Yes		No No
2. 1 2.	Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project:  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  The applicant entered into any agreements, contracts or letters of intent related to the proposed project will occur?	ection	13) Yes		No
2. 1 2.	Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project:  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  Land has existing improvements (complete Section 13)  Relocation within Texas	ection	13) Yes Yes		No No
2. 1 2. 3. 4.	Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project:  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC filings or other documents regarding its intentions regarding the	ection	Yes Yes Yes		No No No
2. 1 2. 3. 4.	Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project.  Land has no existing improvements  Land has existing improvements (complete Section 13)  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC filings or other documents regarding its intentions regarding the sed project location?	ection	Yes Yes Yes Yes		No No No
2. 1 2. 3. 4. 5.	Check	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information.  The project characteristics that apply to the proposed project:  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  The applicant entered into any agreements, contracts or letters of intent related to the proposed project?  The applicant have current business activities at the location where the proposed project will occur?  The applicant made public statements in SEC fillings or other documents regarding its intentions regarding the sed project location?	ection	Yes Yes Yes Yes Yes		No No No No
2. 1 2. 3. 4. 5. 6.	Check	A, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project.  Land has existing improvements  Land has existing improvements (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC filings or other documents regarding its intentions regarding the sed project location?  the applicant received any local or state permits for activities on the proposed project site?  the applicant received commitments for state or local incentives for activities at the proposed project site?  applicant evaluating other locations not in Texas for the proposed project?  the applicant provided capital investment or return on investment information for the proposed project in comparison	ection	Yes Yes Yes Yes Yes		No No No No
2. 1 2. 3. 4. 5. 6. 7	Does Has the H	A attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project:  Land has no existing improvements  Land has existing improvements (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC fillings or other documents regarding its intentions regarding the sed project location?  the applicant received any local or state permits for activities on the proposed project site?  the applicant received commitments for state or local incentives for activities at the proposed project site?  the applicant evaluating other locations not in Texas for the proposed project?  the applicant provided capital investment or return on investment information for the proposed project in comparison that alternative investment opportunities?	ection	Yes Yes Yes Yes Yes Yes Yes Yes		No No No No No
2. 1 2. 3. 4. 5. 6. 7 8.	Check	A, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. The project characteristics that apply to the proposed project.  Land has existing improvements  Land has existing improvements (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC filings or other documents regarding its intentions regarding the sed project location?  the applicant received any local or state permits for activities on the proposed project site?  the applicant received commitments for state or local incentives for activities at the proposed project site?  applicant evaluating other locations not in Texas for the proposed project?  the applicant provided capital investment or return on investment information for the proposed project in comparison	ection	Yes Yes Yes Yes Yes Yes Yes		No No No No 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.



1	SECTION 9: Projected Timeline		ger Millione.	
1	Application approval by school board		June 2017	
2	Commencement of construction		March 2018	В
			January 201	8
	Beginning of qualifying time period	FT 8.015(5)		
4.	First year of limitation	933	2020	
5.	Begin hiring new employees		June 2019	K.
6	Commencement of commercial operations		July 2019	
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)?	N	✓ Yes	No
	Note: Improvements made before that time may not be considered qualified property.		he Rossell	
8	When do you anticipate the new buildings or improvements will be placed in service?		October 201	19
5	SECTION 10: The Property			- 1 (M) 3
1.	Identify county or counties in which the proposed project will be located	Crane		
2.	Identify Central Appraisal District (CAD) that will be responsible for appraising the property  Crane	County Appra	aisal District	
3.	Will this CAD be acting on behalf of another CAD to appraise this property?		Yes	✓ No
4.	Hospital District: Crane Hosp Dist, 100%, tax=.330 Water District: Crane County	n/a n/a tax rate and perce / Water Distric	nt of project)	c=.345
	(Name, tax rate and percent of project) (Name  FMLR, 100%, tax=.05516	tax rate and perce	nt of project)	
	Other (describe):	n/a tax rate and perce		
5	Is the project located entirely within the ISD listed in Section 1?		The brogacty	
700	5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic and		✓ Yes	No
ő.	Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed prone other project seeking a limitation agreement constitute a single united project (SUP), as allowed in §3.13.02	roject and at least	Yes	J No
	6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.		1676.	1000
S	SECTION 11: Investment			
tio	OTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the n in vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable strict. For assistance in determining estimates of these minimums, access the Comptroller's website at www.tex	value of the pron	actu within the	echant
1.	At the time of application, what is the estimated minimum qualified investment required for this school district?		0,000,000,0	00
2.	What is the amount of appraised value limitation for which you are applying?		25,000,000.0	00
	Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.	d		
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 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 fied investment (Tab 7), and  c. a detailed map of the qualified investment showing location of tangible personal property to be placed	to include as pai	rt of your minin	num quali-
5.	and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).  Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 for §313.053.  Subchapter C school districts) for the relevant school district category during the qualified investment.			



	SECTI	ON 12: Qualified Property	
1	Attach a, b a	h a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly and a below.) The description must include:	/ you may skip item:
	1a	a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as de §313.021 ( <b>Tab 8</b> ):	fined by Tax Code
		a description of any new buildings, proposed new improvements or personal property which you intend to include as part of erty (Tab 8); and	your qualified prop-
	1c.	a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11)	
2.	Is the §313.	land upon which the new buildings or new improvements will be built part of the qualified property described by 021(2)(A)?	Yes J No
	2a.	If yes, attach complete documentation including.	
		a legal description of the land (Tab 9);	
		<ul> <li>each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of the land described in the current parcel will become qualified property (Yab 9);</li> </ul>	whether or not all of
		c owner (Tab 9);	
		<li>d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and</li>	
		<ul> <li>a detailed map showing the location of the land with vicinity map (Tab 11).</li> </ul>	
3.	Is the reinve	land on which you propose new construction or new improvements currently located in an area designated as a estment 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:	
		<ul> <li>a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);</li> </ul>	
		<ul> <li>b. legal description of reinvestment zone (Tab 16);</li> </ul>	
		c order, resolution or ordinance establishing the reinvestment zone (Tab 16);	
		<li>d. guidelines and criteria for creating the zone (Tab 16); and</li>	
		<ul> <li>e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)</li> </ul>	
	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?	n/a
8	SECTIO	ON 13: Information on Property Not Eligible to Become Qualified Property	
1.	review	• 10. attach a specific and detailed description of all existing property. This includes buildings and improvements existing as a start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient ag property on the land that will be subject to the agreement and distinguish existing property from future proposed property.	of the application detail to locate all
2	9.1051 modify provid	• 10. attach a specific and detailed description of all proposed new property that will not become new improvements as a 1. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, rely or upgrade existing property, or is affixed to existing property, or is otherwise ineligible to become qualified property. The deless ufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property that will be subject to the agreement (as described in Section 12 of this application).	furbish, renovate,
3.	For the	e property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following ration in Tab 10:	ng supporting
	a.	maps and/or detailed site plan.	
	b.	surveys.	
	C	appraisal district values and parcel numbers;	
	ø.	inventory lists.	
	e.	existing and proposed property lists;	
	£	model and serial numbers of existing property; or	
	g.	other information of sufficient detail and description.	
4.	Total e	stimated market value of existing property (that property described in response to question 1)	0.00
5.	In Tab	10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date	

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.

0.00

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6. Total estimated market value of proposed property not eligible to become qualified property

(that property described in response to question 2)



	SECTION 14: Wage and Employment Information	
1	What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)?	0
2.	What is the last complete calendar quarter before application review start date:	
	First Quarter Second Quarter Third Quarter Fourth Quarter of (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?	2
5.	What is the number of new non-qualifying jobs you are estimating you will create?	0
ő.	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 sary for the operation, according to industry standards.	number of employees neces-
7.	Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this information from the four quarterly periods for which data were available at the time of the application review start date (d See TAC §9 1051(21) and (22).	estimate - will be based on
	Average weekly wage for all jobs (all industries) in the county is	1,119.00
	b. 110% of the average weekly wage for manufacturing jobs in the county is	notavailable_
	c. 110% of the average weekly wage for manufacturing jobs in the region is	1,108.08
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?	57,620.16
10	What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?	58,000.00
11.	Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)?	✓ Yes No
12	Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)?	Yes ✓ No
	12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F)	1.1
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).	
s	SECTION 15; Economic Impact	
1	Complete and attach Schedules A1, A2, B, C, and D in <b>Tab 14</b> . Note Excel spreadsheet versions of schedules are available. URL listed below.	ble for download and printing at
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 eco	nomic analysis, attach a sepa-

rate schedule showing the amount for each year affected, including an explanation, in Tab 15



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 (if applicable)					
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 (if applicable)					
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 (if applicable)					
11	Project vicinity     Oualified investment including location of tangible personal propertry to be placed in service during the qualifying time period buildings to be constructed during the qualifying time period     Cualified property including location of new buildings or new improvements     Existing property     Eand location within vicinity map     Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size  Note: Electronic maps should be high resolution files. Include map legends/markers					
12	Request for Waiver of Job Creation Requirement and supporting information (if applicable)					
13	Calculation of three possible wage requirements with TWC documentation					
14	Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)					
15	Economic Impact Analysis, other payments made in the state or other economic information (if applicable)					
16	Description of Reinvestment or Enterprise Zone, including:  a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office  b) legal description of reinvestment zone'  c) order, resolution or ordinance establishing the reinvestment zone'  d) guidelines and criteria for creating the zone'  *To be submitted with application or before date of final application approval by school board					
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)					



#### **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	Tony Priest	Business	Manager
sign here	Print Name (Authorized School District Representative)  Signature (Authorized School District Representative)	Title 5/25/17 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 ▶	Robert Reichenberger	Authorized Representative
	Print Name (Authorized Company Representative (Applicant))	Title
sign here	Robert Reuchenbergh Signature (Authorized Company Representative (Applicant))	5/23/17
	VALERIE E. FRATTER  NOTARY PUBLIC  STATE OF COLORADO  NOTARY ID 20124020825  MY COMMISSION EXPIRES APRIL 2, 2020	GIVEN under my hand and seal of office this, the
	(Notary Seal)	Notary Public in and for the State of Texas Colorado  My Commission expires: 04/02/2020

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.

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)

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

Not Applicable

# Tab 4 Description of the Project

The Applicant for this project, and its Parent, is a national solar developer with the ability to locate projects of this type in several other states in the US with strong solar characteristics. The applicant is actively developing other projects in Arizona, Colorado, New Mexico, Missouri, and Minnesota, which are competing for the limited investment funds.

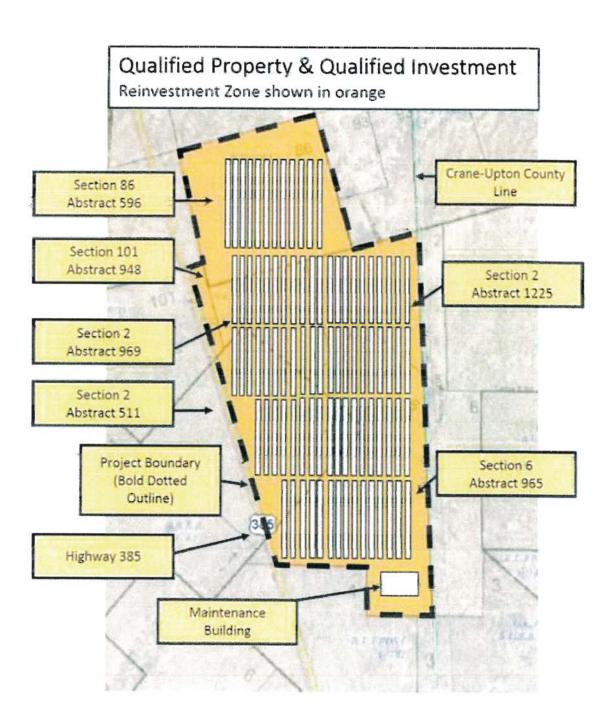
The project will be located entirely within Crane County and Crane Independent School District. It may utilize approximately 2265 acres of the land within the Reinvestment Zone. The project design has not yet been finalized so the final location of new buildings and improvements has not been determined. The land on which the project is located will be rented from the landowner, secured by a long-term lease.

The applicant anticipates commencing construction activities in the 1st quarter of 2018 and completing construction in 2019. Once completed, the project may operate for 25 years or longer.

#### The Qualified Investment is described below:

- Approximately 150MW solar power generating facility containing:
  - Photovoltaic (PV) Solar Panels and DC-to-AC Inverters
  - Tracker system infrastructure.
  - Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment
  - Inverter boxes on concrete or gravel pads
  - Fencing for safety and security, Video Security System
  - Telephone System and Data Systems for communication and remote monitoring
  - Maintenance trailer and office equipment
  - Meteorological equipment to measure solar irradiance & weather conditions
  - New or improved access roads and service roads.

and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid. Project area & panel tracker layout illustration below.



## <u>Tab 5</u>

## Documentation to Assist in Determining if Limitation is a Determining Factor

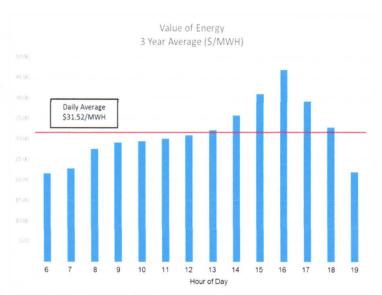
The applicant's parent company for this project is a national solar developer with the ability to locate projects of this type in other states in the US with strong solar characteristics. The applicant is actively developing other projects in Arizona, Colorado, New Mexico, Missouri, and Minnesota. All of these projects are competing with the Crane County project for applicant's limited resources (see Attachment 1). The applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project (e.g., paying for studies related to environment and subsurface geotechnical conditions at the project site, having detailed land surveys carried out, retaining the services of specialized legal counsel and consultants), and (ii) to secure long-term (>20 years) project related capital from the limited pool of third-party institutional solar investors that have the very significant resources needed to construct and operate a project of this size.

Applicant is competing with other solar developers that are developing large solar projects in other states and are also seeking long-term financing from this same small pool of institutional investors as applicant. These institutions have investment hurdle rates, and generally require investment returns of at least 6.5%. At the same time, applicant's solar project is viable only if it is able to sell electricity at competitive prices within the Texas market, which has low electricity rates when compared with most other states. These duel constraints of investor return requirements and the need to offer competitively-priced electricity means that applicant's solar project (and other solar projects within Texas) are viable only if coupled with tax abatements or other form(s) of support or relief. Specifically, without the value limitation sought by applicant, the project return on investment (ROI) of less than 6% is well below investor requirements of at least 6.5% ROI (see table below), making it unattractive to institutional investors and also inferior to the applicant's other projects outside of Texas as shown in table. Without the value limitation, the solar projects outside of Texas, located in Colorado & New Mexico, would receive the constrained investment capital. With the value limitation approved, applicant's Texas project ROI is near the hurdle required in order to secure capital investment.

Projects Competing for Investment Capital	Texas Project		Outside Texas, Competing Projects		
	Crane County, TX	Crane County, TX	Pueblo, CO	Deming, NM	Alamosa, CO
Property Tax Abatement/Value Limitation	No	Yes	Yes	Yes	Yes
ROI: Project IRR (to Investor)	< 6.0%	6.45%	6.78%	6.68%	6.55%

Other solar companies are also seeking value limitation. As noted by one applicant in a publicly available application: "Property taxes can be the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bilateral contract."

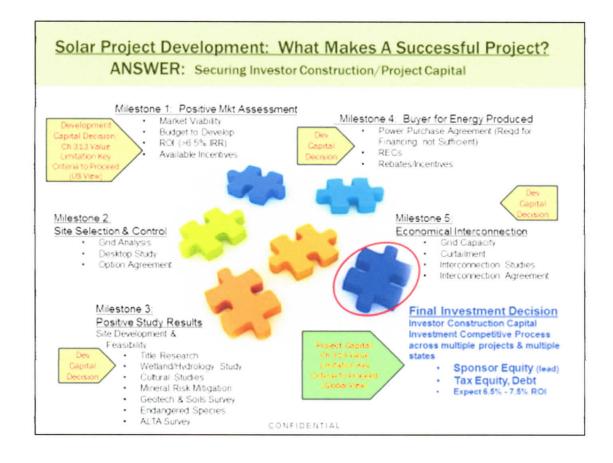
This is supported by the information in the chart to right showing value of energy in West Texas from publicly available ERCOT data. Without the value limitation, either 1)solar companies would have to



charge well above the 3 year average of \$31.52 per MWH, making the PPA undesirable for a potential PPA counterparty or 2) if the solar project matches the competitive energy price in the PPA, the project margins (ROI) would be so low that the project would never receive financing and the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher.

#### Solar Project Development Process

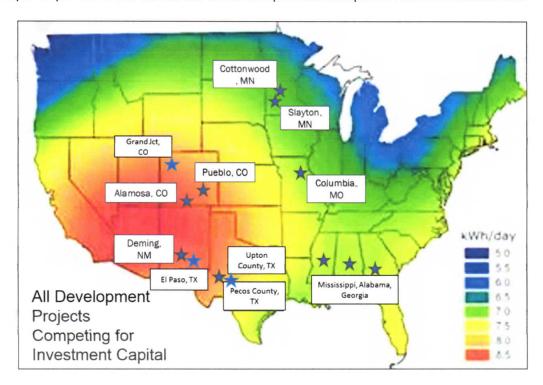
The applicant has provided an explanation of its Solar Project Development process below in an effort to further elaborate on the elements that are necessary to secure development and investment capital necessary to bring a project to Texas. In order to invest in and make the decision to construct a Texas solar project, several milestones must be met to advance the project to a point where it will be considered by an investor of project/construction capital. The applicant, as the project developer, works closely with investors to ensure there is a clear understanding of their financial and other project related requirements. The applicant then adopts these requirements in making development capital decisions, which fund the work in achieving the project related milestones shown in the image below. The achievement of an individual milestone, absent the other milestones, is not sufficient in order to secure investment capital as a fatal flaw may exist in one of the other milestone categories. As an example, even with a "Buyer for the Energy" (milestone 4 in the image below), the project cannot obtain investment capital because the project investor must also be certain that the market is viable (milestone 1), that the land site is controlled (milestone 2), that there are not endangered species, geotech, mineral title, etc related fatal flaws from milestone 3, and that the project can even be interconnected to the grid successfully (milestone 5).



#### Attachment 1

## Applicant's Other Projects Outside of Texas Competing for Investment

The Applicant has multiple other projects outside of Texas (see image below for our other projects) that are competing for development and project capital investment. The value limitation is essential to improving the project economics to a point that we can consider bringing this project to Texas. Solar projects and their associated components are modular and can be deployed anywhere in the USA or the world that provides acceptable return on investment.



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)

Not applicable

The project is located 100% in Crane ISD and Crane County.

### <u>Tab 7</u>

## **Description of Qualified Investment**

The Qualified Investment is described below:

- Approximately 150MW solar power generating facility containing:
  - Photovoltaic (PV) Solar Panels and DC-to-AC Inverters
  - Tracker system infrastructure.
  - Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment
  - Inverter boxes on concrete or gravel pads
  - Fencing for safety and security, Video Security System
  - Telephone System and Data Systems for communication and remote monitoring of solar facility
  - Maintenance trailer
  - Meteorological equipment to measure solar irradiance & weather conditions
  - New or improved access roads and service roads.

and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid. Project area & panel tracker layout illustration below.



### **Description of Qualified Property**

The Qualified Property is described below:

- Approximately a 150MW solar power generating facility containing:
  - Photovoltaic (PV) Solar Panels and DC-to-AC Inverters
  - Tracker system infrastructure.
  - Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment
  - Inverter boxes on concrete or gravel pads
  - Fencing for safety and security, Video Security System
  - Telephone System and Data Systems for communication and remote monitoring of solar facility
  - Maintenance trailer
  - Meteorological equipment to measure solar irradiance & weather conditions
  - New or improved access roads and service roads.

and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid.

Project area & panel tracker layout illustration below.



## Description of the Land

#### All land located in Crane County, Texas

Section	Abstract	Block	Acres	Improvement 5	Survey
86	598	X	511	None	CCSD&RGNG RR CO
2	1225	n/a	589	None	JA Prater
2	969	n/a		None	JA Prater
101	948	n/a	45	None	8L Frost
2	511	n/a	400	None	H&OB RR CO
6	965	n/a	720	None	HT SAPP

# Land Boundaries & Reinvestment Zone Boundaries

Beginning at the Southwest point of the area designated as the reinvestment zone at a point on the southern right of way of Texas Highway 385 at bearings of Lat 31.23432, Lon - 102.32494,

Thence: Directly East approximately 3000 feet to a point at Lat 31.23435, Lon -102.31533, Thence: Directly South approximately 1530 feet to a point at Lat 31.23002, Lon -102.31544, Thence: Directly East approximately 2180 feet to a point at Lat 31.23002, Lon -102.30847,

Thence: N 2° W for a distance of 13,080 feet to a point at Lat 31,25002, con -102,310365.

Thence: S 74°W for a distance of 2395 feet to a point at Lat 31,264139, Lon -102,31735.

Thence: N 15°W for a distance of 5282 feet to a point at Lat 31,27799, Lon -102,32215.

Thence: S 74° W for a distance of 5187 feet to a point at Lat 31.27427, Lon = 102.33787, Thence: S 15° E for a distance of 4354 feet to a point at Lat 31.26268, Lon =102.3345, Thence: S 74° W for a distance of 630 feet to a point at Lat 31.262221, Lon =10233650

Thence: \$ 20° E for a distance of 10,715 feet to the starting point.

# Description of all Property Not Eligible to Become Qualified Property

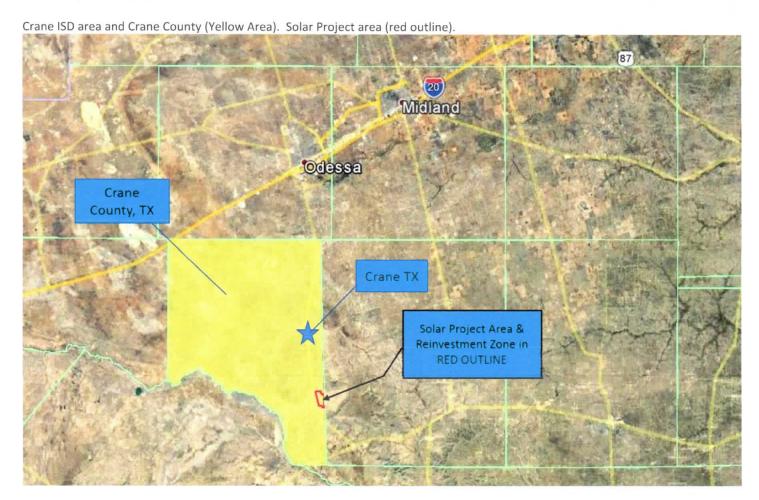
# Not applicable

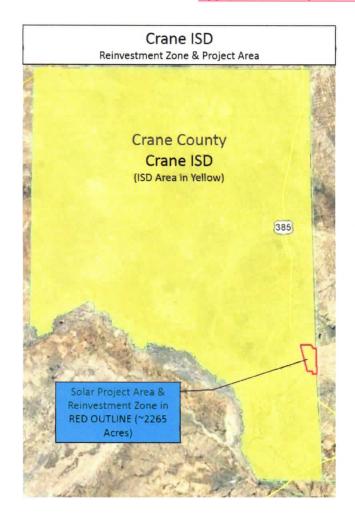
There are no buildings or improvements on the property

## Maps that clearly show:

- a) Project vicinity (See Below)
- 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 (See Below)
- c) Qualified property including location of new buildings or new improvements (See Below)
- d) Existing property (There is no existing property on the site)
- e) Land location within vicinity map (See Below)
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size (See Below)

<u>Vicinity Map:</u> Two vicinity maps have been provided below. The Solar Project is located 100% in Crane County and 100% in Crane ISD





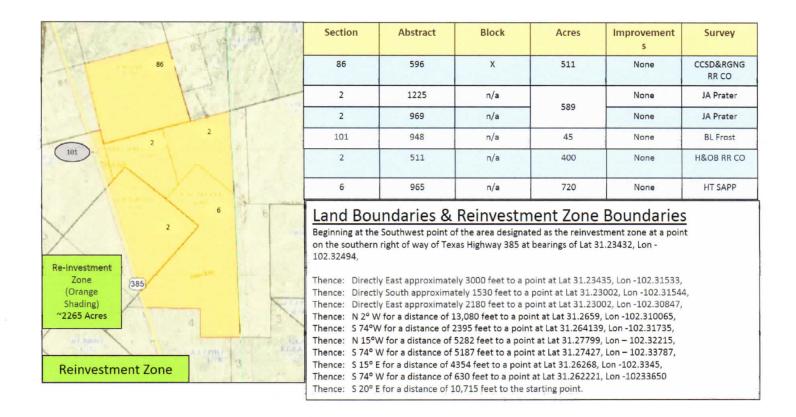
# Location of the Qualified Investment & New Buildings and New Improvements (Solar Facility) shown below.



#### **Reinvestment Zone**

#### Reinvestment Zone

2265 Acres, all located in Crane ISD, Crane County Texas



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

#### **Solar Prime LLC**

SP-Horsehead Crossing Solar LLC Robert Reichenberger President (303) 886-1162 robert@solar-prime.com

May 23, 2017

Mr. Bill Boyd Superintendent Crane Independent School District 511 West 8th Crane, TX 79731

Re: Chapter 313 Job Waiver Request for Solar Project

Dear Mr. Boyd:

This letter is to request a waiver of the requirement to create 10 full time jobs as part of the Appraised Value Limitation application for the SP-Horsehead Crossing Solar LLC solar project contemplated for Southeastern Crane County, TX and inside Crane ISD's district. 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 exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. SP-Horsehead Crossing Solar LLC requests that the Crane ISD Board of Trustees make such a finding and waive the job creation requirement for ten (10) permanent jobs.

The new qualifying job creation requirement exceeds the number of employees necessary for the operation of the project according to our over 10-year experience developing solar projects with the type of technology being utilized at this project site. For this site design, we are specifying high capacity inverters (>1.5MW inverter blocks) and single axis tracker technology. For this type of solar technology, our experience and operational practices prescribe one operations person per each 80-90MW of solar generation capacity. This means that two (2) highly skilled maintenance employees are reasonably necessary for the operation of the facility described in this application. Solar projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of personnel to operate the facility after commercial operation.

This waiver request is in line with industry norms for the number of jobs related to a solar generation facility of this size. This is evidenced by previously filed limitation agreement applications by solar developers who requested a waiver of the job requirements and through readily available documentation related to the development of solar generation facilities.

Respectfully,

Robert Reichenberger

SP-Horsehead Crossing Solar LLC

Robert Reichenberger

#### Tab 13

#### Calculation of three possible wage requirements with TWC documentation

#### Quarterly Employment and Wages (OCEW)

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

Year	Period	Average Weekly Wages
2016	1st Qtr	\$1,140
2016	2 <sup>nd</sup> Qtr	\$1,079
2016	3 <sup>rd</sup> Qtr	\$1,104
2015	4th Qtr	\$1,153

\$4,476/4= \$1,119.00 average weekly salary

X 1.10 (110%)

\$1,230.90 110% of County Average Weekly Wage for all jobs

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

2015	4Q	S -	
2016	1Q	\$ -	No Manufacturing Wage in Crane County
2016	2Q	S -	
2016	30	\$ -	
		\$ 0/4 = \$	O Avaraga Washin Calam

\$0/4 = \$0 Average Weekly Salary  $$0 \times 110\% = $0$ 

#### 110% of County Average Weekly Wage for Manufacturing Jobs in Region

Average Weekly Wage

\$52,382.00 X 110% \$57,620.20 Total Annual Wage

\$1,108.08

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

	Wag	es
ĆOG	Hourly	Annual
Texas	\$24,41	\$50,778
Punhandic Regional Planting Commission	\$20.64	\$42,941
2 South Plants Association of Governments	\$17.50	\$36,408
3 NORTLA Regional Planning Commission	\$23.28	\$48,413
4. North Central Texas Council of Covernments	\$25.03	\$52,068
5 Ark-Lex Council of Governments	\$18.46	\$38,398
6 Last Fexas Council of Covernments	\$19.84	\$41,270
7 West Central Lexas Council of Concernments	\$19.84	\$41,257
8 Reg Grande Council of Governments	\$18.32	\$38,109
9 Permian Basin Regional Planning Commission	\$25.18	\$52,382
19. Concho Valley Council of Governments	\$18.80	\$39,106
11 Heart of Jexas Council of Governments	521.41	\$44,526
2. Capital Area Council of Governments	\$29.98	\$62,363
13. Brazos Valley Council of Governments	\$18.78	\$39,057
14. Deep East Texas Council of Governments	\$17.30	\$35,993
12. South East Jexas Regional Planning Commission	\$30.41	\$63,247
16. Houston-Galveston Area Council	\$26.44	\$54,985
17 Golden Crescent Regional Planning Commission	\$23.73	\$49,361
18. Alamo Area Council of Governments	\$19.96	\$41,516
19. South Texas Development Council	\$15.87	\$33,016
20. Coastal Bend Council of Governments	\$25.97	\$54,008
2) Lower Rio Grande Valley Development Council	\$16.17	\$33,634
22. Textoria Council of Governments	\$19.04	\$39,595
23. Central Texas Council of Governments	\$18.04	\$37,533
24. Middle Rio Citande Development Council	\$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

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							Page	1 of 1 (40 results/page)
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015	2ng Qtr	Crarie County	Private	00	2	10	Total Az Inquetries	31 153
utu	and Uti	Crane County	Signature of	00	D	10	Total All Industries	\$1.079
9:5	310 (20	Grane Courty	Philippin	00	٥	10	Total - 40 Industries	\$1.481
0.0	Ind On	Crane County	Private	00	b	10	Total All Industries	\$1.104
015	4th Q0	Crane Councy	Prysig.	00	3	10	Total All Industries	\$1.151

#### **Tab 14**

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

Please see attached Spreadsheets

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

Form 50-296A Revised May 2014

				(Estimated Inves	(Estimated Investment in each year. Do not put cumulative totals.)	(%)		
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below)	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 linig complete application with district				Not e igible to becar	Not eligible to become Qualified Property	0\$	The only other investment made before filing complete application with district that may become Qualified Property is land.]	0\$
Investment made after filing complete application with district, but before final board 2017 application	2017	2017-18	2017	0\$	0\$	0\$	9	\$0
Investment made after final board approval of appleation and before Jan. 1 of first complete tax year of qualifying time period				0\$	0\$	0\$	0\$	0\$
	отъ	2018-2019	2018	\$8,974,000	0\$	0\$	0\$	\$8,974,000
Complete tax years of qualifying time period	QTP2	2019-2020	2019	\$170,426,000	\$80,000	0\$	0\$	\$170,506,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]	ime Peri	od [ENTER this ro	w in Schedule A2]	\$179,400,000	\$80,000	0\$	0\$	\$179,480,000
					Enter amour	Enter amounts from TOTAL row above in Schedule A2	dule A2	
Tot	tal Quali	fied Investment (s	Total Qualified Investment (sum of green cells)	\$179,400,000	\$80,000			

of investment for "replacement" property if the property is specifically described in the application.

it that will not become qualified property include investment meeting the definition of 313,021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed existing property-created the safety property-created in SECTION 13, question #5 of the application.

It has now read in qualified property are kind or professional services.

The property of the defined property are kind or professional services. For Al Columns. List amount invested each year, not cumulative totals.

Column A. This represents the total dollar amount of planned investment in Langible personal property. Only include estimate Column A. This represents the total dollar amount of planned investment of the column C. Dollar value of other investment from the specifical discrete or incremovable component of buildings.

Column C. Dollar value of other investment that may affect economic import and total value. Examples of other investment property that functionally replaces existing property; is used to maintain, refurbably, removible, modify or organise. Column C. Column E. Column E. Column S. Column

SP-Horsehead Crossing Solar LLC

Date Applicant Name ISD Name

3/15/2017 Crane ISD

# Schodule A.E. Total sivesement for Economic Impact (Including Qualifies Property and other investments)

Form 10-196A

315/2017

SP atomeshand Constants Solar LLC Crane RD

	The same of		A DIVERSION OF	PROPERTY INVE	PROPERTY INVESTMENT AMOUNTS			
				Rathaged hysashions in each,	Extra god hyperthies in each year. Do not got cumulative totals )			
				Ceharo A	Column B	Cahamin	Column D	Column E
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Each year prior to start of wise invitation person?"	0	2018-2019	2016	\$6,974,000	93	08	08	\$5,974,000
Each year prior to start of water comparing ground?"	٥	2019-2020	2019	\$170,426,000	000'08\$	05	08	\$170,506,000
A.	-		2020	05	0\$	\$1,365,000	98	\$1,365,000
	**	2021-2022	2021	\$0	0\$	\$1,378,650	08	\$1,378,650
	2	2022-2023	2022	93	0\$	\$1,392,437	0\$	\$1,392,437
	7	_	2023	80	0\$	\$1,406,361	05	\$1,406,361
When as dead Short Sandara	0	-	2024	80	0\$	\$1,420,424	0\$	\$1,420,424
	9		2025	80	0\$	\$1,434,629	05	\$1,434,629
	7	2026-2027	2026	80	0\$	\$1,448,975	0\$	\$1,448,975
	60		2027	08	os	\$1,463,465	0\$	\$1,463,466
	A	2028-2029	2028	\$0		\$1,478,099	20	\$1,478,099
	9		2029	\$0	08	\$1,492,880	0\$	\$1,492,880
Total Investment ma	vestmen	nt made throu	ide through limitation	\$179,400,000	\$80,000	\$14,280,920	34	\$193,760,920
	5	2030-2031	2030			\$1,507,809	一 と では 一 に か	\$1,507,809
	3	-	2031			\$17,272,887		\$17,272,687
College to marking digits prescribe	65	$\rightarrow$	2032			\$1,507,800		\$1,507,809
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	n	2041-2042	2041	で		\$1,649,069		\$1,649,069
	3		2042	· 图 · 图 · 图 · 图 · 图 · 图 · 图 · 图 · 图 · 图		\$1,665,556	一	\$1,665,559
	70	2043-2044	2043	はは、地域には		\$1,682,215	一 の の の の の の の の の の の の の の の の の の の	\$1,682,215
	20		-		Company of the Compan	150 (880) 14	S SERVICE OF STREET	CONTROL OF

A) meatment made through the qualityry three period of a functional distributed in Scholadar XI gives body and componented three states of the submodes.
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#### Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Qualified Property

Date 3/15/2017

Applicant Name SP-Horsehead Crossing Solar LLC

Form 50-296A Review May 2014

Estimated Taxable Value

150 Name

Crane ISD

	Year	School Year (2007/2000)	Tan Year (Fill in actual tax year) YYYY	Entimated Market Value of Lind	Extrasted fotal Market Value of new buildings or other new improvements	Essimated Total Market Value of tangible personal property in the new buildings or "in or on the new articities much!"	Market Value loss any elemptions (such as pollution control) and before irrelation	Final tanable value for its safter at motocloons	Final tauble value for MSO after of reductors
Pnor Years	0	2017-2018	2017	\$0	\$0	30	\$0	\$0	30
Prior Years	0	2018-2019	2018	\$0	\$8,974,000	\$0,	\$0	\$8,974,000	\$8,974,000
Prior Years	0	2019-2020	2019	.\$0	\$179,480,000	\$0	\$0	\$179,480,000	\$179,480,000
	1	2020-2021	2020	\$0	\$167,095,880	\$0	\$0	\$167,095,880	\$25,000,000
	2	2021-2022	2021	\$0	\$153,706,672	\$0	\$0.	\$153,706,672	\$25,000,000
	3	2022-2023	2022	\$0	\$139,258,532	\$0	\$0	\$139,258,532	\$25,000,000
	4	2023-2024	2023	\$0	\$123,643,772	\$0	\$0	\$123,643,772	\$25,000,000
Value Limitation Period	5	2024-2025	2024	\$0	\$106,790,600	50	\$0	\$106,790,600	\$25,000,000
Value CHINADON PENOG	6	2025-2026	2025	\$0	\$88,591,328	\$0	\$0	\$88,591,328	\$25,000,000
	7	2026-2027	2026	\$0	\$66,938,268	\$0	\$0	\$68,938,268	\$25,000,000
	8	2027-2028	2027	50	\$47,705,784	S0	\$0	\$47,705,784	\$25,000,000
	9	2028-2029	2028	50	\$35,896,000	50	\$0	\$35,896,000	\$25,000,000
	10	2029-2030	2029	\$0	\$35,896,000	50	so	\$35,896,000	\$25,000,000
	11	2030-2031	2030	50	\$50,896,000	\$0	\$0	\$50,896,000	\$50,896,000
	12	2031-2032	2031	\$0	\$49,861,000	\$0	\$0.	\$49,861,000	\$49,861,000
Continue to maintain viable presence	13	2032-2033	2032	\$0	\$48,742,000	\$0	\$0	\$48,742,000	\$48,742,000
	14	2033-2034	2033	\$0	\$47,534,500	\$0	\$0	\$47,534,500	\$47,534,500
	15	2034-2035	2034	\$0	\$46,229,500	\$0	\$0	\$46,229,500	\$46,229,500
	15	2035-2036	2035	50	\$44,821,000	30	\$0	\$44,821,000	\$44,821,000
*	17	2036-2037	2036	\$0	\$43,300,000	\$0	\$0	\$43,300,000	\$43,300,000
	81	2037-2038	2037	50	\$41,657,500	\$0	\$0	\$41,657,500	\$41,657,500
Additional years for	19	2036-2039	2038	\$0	\$39,883,000	\$0	\$0	\$39,883,000	\$39,883,000
25 year economic	20	2039-2040	2039	\$0	\$36,896,000	30	\$0	\$38,896,000	\$38,896,000
ompact as required by 313 026(c)(1)	21	2040-2041	2040	\$0	\$38,896,000	\$0	\$0	\$38,896,000	\$38,896,000
asa esolek ()	22	2041-2042	2041	sa	\$38,896,000	\$0	\$0	\$38,896,000	\$38,896,000
	23	2042 2043	2042	\$0	\$38,896,000	\$0	\$0	\$38,896,000	\$38,836,000
	24	2043-2044	2043	Su	\$38,896,000	\$0	\$0	\$38,896,000	\$38,896,000
	25	2044-2045	2044	\$0	\$36,896,000	30	\$0	\$38,896,000	\$38,896,000

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

Only include market value for eigible property on this schedule

#### Application Amendment No. 1, April 10, 2017

Date Applicant Name ISD Name	3/15/2017 SP-Horse Crane ISI	head Crossing So	olar LLC	Schedule C: Em	ployment Information			Form 50-296,
				Constr	uction	Non-Qualifying Jobs	Qualifyi	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2017-2018	2017	Ö	\$0	0	0	0
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2018-2019	2018	100 FTE Avg, 120 FTE Peak	\$37,500	0	0	0
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2019-2020	2019	200 FTE Avg, 350 FTE Peak	\$37,500	0	2	\$58,000
	1	2020-2021	2020	D	\$0	0	2	\$58,000
	2	2021-2022	2021	0	0	0	2	\$58,000
	3	2022-2023	2022	0	0	0	2	\$58,000
	4	2023-2024	2023	0	0	0	2	\$58,000
Value Limitation Period The qualifying time period could overlap the	5	2024-2025	2024	0	0	0	2	\$58,000
value limitation period.	6	2025-2026	2025	0	0	0	2	\$58,000
	7	2026-2027	2026	0	0	0	2	\$58,000
	8	2027-2028	2027	0	0	0	2	\$58,000
	9	2028-2029	2028	0	0	0	2	\$58,000
	10	2029-2030	2029	0	0	0	2	\$58,000
Years Following Value Limitation Period	11 through 25	2030-2045	2030-2044	0	0	D	2	\$58,000
	Only indu	de jobs on the pro	ion of non-qualifyir oject site in this so of qualifying jobs I napter B districts,		he number of qualifying jol ter C districts)	os required by statute?	Yes	No
	If yes, an	swer the following	two questions:	ovided under 313.025(f-1)?	*0		Yes	No No
C1b.	Will the ap	pplicant avail itsel	f of the provision in	1 313.021(3)(F)?			Yes	No

#### Schedule D: Updated to change incorrect text in Tax Entity column.

D-4-	3/15/2017	Schedule D: Other Inc	centives (Estimated)			
Date						Form 50-296
Applicant Name	SP-Horsehead Crossing Solar L	LC				
ISD Name	Crane ISD					Revised May 20
		I Incentives for which the	Applicant intends to ap			
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
	County:					
Гах Code Chapter 311	City:					
	Other:					
	County: Crane County	2019	2019-2028	\$1,516,303	\$606,521.07	\$909,78
Tax Code Chapter 312	City:	n/a				
	Other: Crane Hospital District	2019	2019-2028	\$592,284	\$236,913.60	\$355,37
	County:					
Local Government Code Chapters 380/381	City:					
	Other:					
Freeport 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:						
Other:						
			TOTAL	\$2,108,587	\$843,435	\$1,265,152
Additional information on incentives for the	nis project:					
todational anomiation on modifices for the	no project.					

#### Tab 15

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

SP-Horsehead Crossing Solar LLC did not conduct an Economic Impact Analysis Not applicable

#### Tab 16

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

- a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office
- b) legal description of reinvestment zone\*
- c) order, resolution or ordinance establishing the reinvestment zone\*
- d) guidelines and criteria for creating the zone\*
- \* To be submitted with application or before date of final application approval by school board

Resolution Creating Reinvestment Zone

#### RESOLUTION OF THE COMMISSIONERS COURT OF CRANE COUNTY, TEXAS DESIGNATING THE CRANE SOLAR REINVESTMENT ZONE#1

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

Whereas, the Commissioners Court of Crane 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 Abasement Act, as amended (Texas Property Tax Code §312 001, et seg.), and

Whereas, on this date, a hearing before the Commissioners Court of Crane County. Texas was held, such date being at least seven (7) days after the date of publication of the notices of such public hearing in the local newspaper of general circulation in Crane County and the delivery of written notice to the respective presiding officers of each taking entity that includes within its boundaries real property that is to 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 Crane County, Texas

- That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.
- 2 That the Commissioners Court of Crane 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 taking 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 8, which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit A and Exhibit 8, the map shall control, and
  - C. That creation of the reinvestment sone will result in benefits to Crane County. Texas and to land included in the zone and that the improvements sought are feasible and gractical, 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 Crane County. Texas, and that the entire tract of land is located entirely within an unincorporated area of Crane County. Texas
- 3 "had pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Crane County Commissioner's Court hereby creates the Crane Solar Beinvestment 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 Jone is hereby designated and shall hereafter be referred to as the Crane Solar Reinvestment Zone #1.
- 4 That the Crane Solar Remiestment Zone #1 shall take effect on this date, and shall remain designated as a commercial-industrial reinvestment zone for a period of five. Silvears from such date of designation, and may be renewed for additional five (5) year periods thereafter.

- 5 That if any section paragraph, clause or provision of this Resolution shall for any reason beheld 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.
- That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Crane 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 bearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of 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 14th day of March 2017

-tohn farmer

Czano County Judge

Tom Brown

Precinct 1 Commissioner

Denn's Young

Precinct 2 Commissioner

Domingo Escobedo

Precipct 3-Commissioner

Ruby Martinez

Precinct 4 Commissioner

Judy Grawford Crane County Clerk

Attest

#### Exhibit A Legal Description of Crane Solar Reinvestment Zone#1

The Reinvestment Zone is comprised of the following sections

Section	Abstract	Block	Acres	Improvement	Survey
86	596	Х	511	None	CCSD&RGNG RR CO
2	1225	1/4		None	JA Prater
2	969	1/2	589	None	JA Prater
101	948	√a	45	None	Bl. Frost
2	511	n/a	400	None	H&OS RR CO
6	965	√2	720	None	HT SAPP

#### Land Boundaries & Reinvestment Zone Boundaries

Beginning at the Southwest point of the area designated as the reinvestment zone at a point on the southern right of way of Texas Highway 385 at bearings of Lat 31 23432. Lon - 102 32494

Therce Directly East approximately 3000 feet to a point at Lat 31 13435, Lon (102 31533)

Thence Directly South approximately 1530 feet to a point at Let 31 23002, Lon -102 31544

Thence Directly East approximately 2180 feet to a point at Lat 31 23002 Lon -102 30847.

Thence: N 2° W for a distance of 13,080 feet to a point at Lat 31,2659, Lon. 102,310065.

Therice 5.74°W for a distance of 1395 feet to a point at Lat 31.264139. Lon. 102.31735.

Therice: N 15°W for a distance of 5282 feet to a point at Lat 31 27799, Lon ~ 102 32215

\*hence = 5.74° W for a distance of 5187 feet to a point at Lat 31.27427, Lon = 102.33787

\*hence | \$ 15° E for a distance of 4354 feet to a point at Lat 31 26268 Con | 102 3345.

Thence 5.74" Wifer a distance of 630 feet to a point at Lat 31.262221 Lon 10233650

"hence 1520" E for a distance of 10.715 feet to the starting point

Exhibit B Map of Crane Solar Reinvestment Zone#1



#### <u>Tab 17</u>

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



#### Application for Appraised Value Limitation on Qualified Property

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

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

#### 1. Authorized School District Representative Signature

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

print here	Tony Priest	Business	Manager
sign here	Print Name (Authorized School District Representative)  Signature (Authorized School District Representative)	Title 5/25/17 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 ▶	Robert Reichenberger	Authorized Representative
	Print Name (Authorized Company Representative (Applicant))	Title
sign here	Robert Reuchenbergh Signature (Authorized Company Representative (Applicant))	5/23/17
	VALERIE E. FRATTER  NOTARY PUBLIC  STATE OF COLORADO  NOTARY ID 20124020825  MY COMMISSION EXPIRES APRIL 2, 2020	GIVEN under my hand and seal of office this, the
	(Notary Seal)	Notary Public in and for the State of Texas Colorado  My Commission expires: 04/04/2020

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 Crane Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by SP-Horsehead Crossing Solar, LLC (Tax ID 32062186138) (Application #1182)

ATTACHMENT B
Franchise Account Status of
SP-Horsehead Crossing Solar, LLC





#### **Franchise Tax Account Status**

As of: 10/04/2017 14:07:23

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

SP-HORSEHE	SP-HORSEHEAD CROSSING SOLAR LLC							
Texas Taxpayer Number 32062186138								
Mailing Address 777 S HIGH ST DENVER, CO 80209-4528								
<b>Q</b> Right to Transact Business in Texas	ACTIVE							
State of Formation	CO							
<b>Effective SOS Registration Date</b>	11/28/2016							
Texas SOS File Number	0802591193							
Registered Agent Name	JEREMY SANDERS							
Registered Office Street Address	TWO RIVERWAY SUITE 1500 HOUSTON, TX 77056							

Findings and Order of the Crane Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by SP-Horsehead Crossing Solar, LLC (Tax ID 32062186138) (Application #1182)

ATTACHMENT C
Comptroller Letter Certifying
Application as Complete



#### GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 26, 2017

Bill Boyd Superintendent Crane Independent School District 511 West 8th Crane, Texas 79731

Re:

Application for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Crane Independent School District and SP-Horsehead Crossing Solar, LLC, Application 1182

Dear Superintendent Boyd:

On March 28, 2017, the Comptroller's office received SP-Horsehead Crossing Solar, LLC's (applicant) application for a limitation on appraised value (Application 1182) from Crane Independent School District (school district).

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 April 26, 2017.

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 90<sup>th</sup> 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 school district 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 Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 3- 6053 or at 512-463- 6053.

Sincerely,

Will Counihan

Director

Data Analysis & Transparency Division

cc: Sara Leon, Powell & Leon, LLP

Robert Reichenberger, SP-Horsehead Crossing Solar, LLC

Findings and Order of the Crane Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by SP-Horsehead Crossing Solar, LLC (Tax ID 32062186138) (Application #1182)

### ATTACHMENT D Comptroller's Economic Impact Analysis



#### GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 14, 2017

Bill Boyd Superintendent Crane Independent School District 511 West 8<sup>th</sup> Crane, Texas 79731

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Crane Independent School District and SP-Horsehead Crossing Solar, LLC, Application 1182

Dear Superintendent Boyd:

On April 26, 2017, the Comptroller issued written notice that SP-Horsehead Crossing Solar, LLC (applicant) submitted a completed application (Application 1182) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on March 21, 2017, to the Crane 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.

<sup>&</sup>lt;sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.

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 1182.

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.

#### 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 April 26, 2017, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,

Lisa Claven for Mike Roissig

**Deputy Comptroller** 

Enclosure

cc: Will Counihan

#### Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of SP-Horsehead Crossing Solar, LLC (project) applying to Crane Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Applicant	SP-Horsehead Crossing Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Crane ISD
Estimated 2015-2016 Average Daily Attendance	1,037
County	Crane
Proposed Total Investment in District	\$193,760,920
Proposed Qualified Investment	\$179,480,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,115
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,108
Minimum annual wage committed to by applicant for qualified jobs	\$58,000
Minimum weekly wage required for non- qualifying jobs	\$1,119
Minimum annual wage required for non- qualifying jobs	\$58,189
nvestment per Qualifying Job	\$96,880,460
Estimated M&O levy without any limit (15 years)	\$12,834,330
Estimated M&O levy with Limitation (15 years)	\$5,228,588
Estimated gross M&O tax benefit (15 years)	\$7,605,742

<sup>\*</sup> 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 SP-Horsehead Crossing Solar, LLC (modeled).

		Employment		Personal Income					
Year	_Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total			
2018	100	114	214	\$3,750,000	\$9,860,000	\$13,610,000			
2019	202	239	441.339	\$7,616,000	\$22,115,000	\$29,731,000			
2020	2	47	49	\$116,000	\$6,080,000	\$6,196,000			
2021	2	22	24	\$116,000	\$4,034,000	\$4,150,000			
2022	2	5	7	\$116,000	\$2,398,000	\$2,514,000			
2023	2	(5)	-3	\$116,000	\$1,287,000	\$1,403,000			
2024	2	(9)	-7	\$116,000	\$599,000	\$715,000			
2025	2	(9)	-7	\$116,000	\$265,000	\$381,000			
2026	2	(8)	-6	\$116,000	\$151,000	\$267,000			
2027	2	(6)	-4	\$116,000	\$169,000	\$285,000			
2028	2	(3)	-1	\$116,000	\$285,000	\$401,000			
2029	2	(0)	2	\$116,000	\$475,000	\$591,000			
2030	2	2	4	\$116,000	\$659,000	\$775,000			
2031	2	4	6	\$116,000	\$843,000	\$959,000			
2032	2	5	7	\$116,000	\$1,005,000	\$1,121,000			
2033	2	6	8	\$116,000	\$1,136,000	\$1,252,000			
2034	2	6	8	\$116,000	\$1,226,000	\$1,342,000			

Source: CPA REMI, SP-Horsehead Crossing Solar, LLC

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

Table	3 Estimated Dir	ect Ad Valorem	Taxes with	nout property tax	incentives		Γ	I			
-		741017411	1	property tur					Crane County		
									Farm to		
	Estimated	Estimated		l		Crane ISD		Crane Hospital	Market &	Crane County	1
	Taxable Value	Taxable Value		Crane ISD I&S	Crane ISD M&O	M&O and I&S	Crane County	District Tax	Lateral Road	Water District	Estimated Total
Year	for I&S	for M&O		Tax Levy	Tax Levy	Tax Levieș	Tax Levy	Levy	Tax Levy	Tax Levy	Property Taxes
			Tax Rate	0.0675	1.0600		0.7748	0.3300	0.0552	0.3450	
2020	\$167,095,880	\$167,095,880		\$112,790	\$1,771,216	\$1,884,006	\$1,294,711	\$551,416	\$92,170	\$576,481	\$3,730,133
2021	\$153,706,672	\$153,706,672		\$103,752	\$1,629,291	\$1,733,043	\$1,190,967	\$507,232	\$84,785	\$530,288	\$3,431,242
2022	\$139,258,532	\$139,258,532		\$94,000	\$1,476,140	\$1,570,140	\$1,079,018	\$459,553	\$76,815	\$480,442	\$3,108,711
2023	\$123,643,772	\$123,643,772		\$83,460	\$1,310,624	\$1,394,084	\$958,030	\$408,024	\$68,202	\$426,571	\$2,760,138
2024	\$106,790,600	\$106,790,600		\$72,084	\$1,131,980	\$1,204,064	\$827,447	\$352,409	\$58,906	\$368,428	\$2,383,920
2025	\$88,591,328	\$88,591,328		\$59,799	\$939,068	\$998,867	\$686,433	\$292,351	\$48,867	\$305,640	\$1,977,652
2026	\$68,938,268	\$68,938,268		\$46,533	\$730,746	\$777,279	\$534,155	\$227,496	\$38,026	\$237,837	\$1,538,930
2027	\$47 <u>,705,78</u> 4	\$47,705,784		\$32,201	\$505,681	\$537,883	\$369,639	\$157,429	\$26,315	\$164,585	\$1,064,951
2028	\$35,896,000	\$35,896,000		\$24,230	\$380,498	\$404,727	\$278,133	\$118,457	\$19,800	\$123.841	\$801,318
2029	\$35,896,000	\$35,896,000		\$24,230	\$380,498	\$404,727	\$278,133	\$118,457	\$19,800	\$123,841	\$801,318
2030	\$50,896,000	\$50,896,000		\$34,355	\$539,498	\$573,852	\$394,358	\$167,957	\$28,074	\$175,591	\$1,136,167
2031	\$49,861,000	\$49,861,000		\$33,656	\$528,527	\$562,183	\$386,338	\$164,541	\$27,503	\$172,020	\$1,113,063
2032	\$48,742,000	\$48,742,000		\$32,901	\$516,665	\$549,566	\$377,668	\$160,849	\$26,886	\$168,160	\$1,088,083
2033	\$47,534,500	\$47,534,500		\$32,086	\$503,866	\$535,951	\$368,312	\$156,864	\$26,220	\$163,994	\$1,061,127
2034	\$46,229,500	\$46,229,500		\$31,205	\$490,033	\$521,238	\$358,200	\$152,557	\$25,500	\$159,492	\$1,031,995
			Total	\$817,280	\$12,834,330	\$13,651,610	\$9,381,544	\$3,995,593	\$667,869	\$4,177,211	\$27,028,748

Source: CPA, SP-Horsehead Crossing Solar, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district, Crane County, Crane County Farm-to Market and Lateral Road, Crane Hospital District and Crane County Water District, with all property tax incentives being sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district.

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

Table	4 Estimated Dir	ect Ad Valorem	Taxes with	h all property tax	incentives sought	<del></del>					
	Estimated Taxable Value	Estimated Taxable Value		Crane ISD I&S	Crane ISD M&O	Crane ISD M&O and I&S	Crane County	Crane Hospital	Crane County Farm to Market & Lateral Road	Crane County Water District	Estimated Total
Year	for I&S	for M&O		Tax Levy	Tax Levy	Tax Levies	Tax Levy	Levy	Tax Levy	Tax Levy	Property Taxes
			Tax Rate	0.0675	1.0600	141.4 EDE 111.0	0.7748	0.3300	0.0552	0.3450	rioperty raxes
2020	\$167,095,880	\$25,000,000		\$112,790		\$377,790		\$110,283	\$92,170		\$747,015
2021	\$153,706,672	\$25,000,000		\$103,752	\$265,000		\$238,193	\$101,446	\$84,785		\$708,392
2022	\$139,258,532	\$25,000,000		\$94,000	\$265,000	\$359,000		\$91,911	\$76,815	\$480,442	\$666,714
2023	\$123,643,772	\$25,000,000		\$83,460	\$265,000		\$191,606	\$81,605	\$68,202	\$426,571	\$621,670
2024	\$106,790,600	\$25,000,000		\$72,084	\$265,000	\$337,084	\$165,489	\$70,482	\$58,906	\$368,428	\$573,055
2025	\$88,591,328	\$25,000,000		\$59,799	\$265,000	\$324,799	\$137,287	\$58,470	\$48,867	\$305,640	\$520,556
2026	\$68,938,268	\$25,000,000		\$46,533	\$265,000	\$311,533	\$106,831	\$45,499	\$38,026	\$237,837	\$463,864
2027	\$47,705,784	\$25,000,000		\$32,201	\$265,000	\$297,201	\$73,928	\$31,486	\$26,315	\$164,585	\$402,615
2028	\$35,896,000	\$25,000,000	l	\$24,230	\$265,000	\$289,230	\$55,627	\$23,691	\$19,800	\$123,841	\$368,548
2029	\$35,896,000	\$25,000,000		\$24,230	\$265,000	\$289,230	\$55,627	\$23,691	\$19,800	\$123,841	\$368,548
2030	\$50,896,000	\$50,896,000		\$34,355	\$539,498	\$573,852	\$394,358	\$167,957	\$28,074	\$175,591	\$1,136,167
2031	\$49,861,000	\$49,861,000		\$33,656	\$528,527	\$562,183	\$386,338	\$164,541	\$27,503	\$172,020	\$1,113,063
2032	\$48,742,000	\$48,742,000		\$32,901	\$516,665	\$549,566	\$377,668	\$160,849	\$26,886	\$168,160	\$1,088,083
2033	\$47,534,500	\$47,534,500		\$32,086	\$503,866	\$535,951	\$368,312	\$156,864	\$26,220	\$163,994	\$1,061,127
2034	\$46,229,500	\$46,229,500		\$31,205	\$490,033	\$521,238	\$358,200	\$152,557	\$25,500	\$159,492	\$1,031,995
			Total	\$817,280	\$5,228,588	\$6,045,868	\$3,384,211	\$1,441,333	\$667,869	\$4,177,211	\$10,871,412
oxdot			Diff	\$0	\$7,605,742	\$7,605,742	\$5,997,333	\$2,554,260	\$0	\$0	\$16,157,336
Assumo	es School Value L	imitation and Ta	Abatemen	ts with the County	and Hospital Distric	t					

Source: CPA, SP-Horsehead Crossing Solar, LLC

\*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 25th Anniversary of Limitation Start

This represents the Comptroller's determination that SP-Horsehead Crossing Solar, 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 Resul of Agreement (Cumulative)
Limitation	2017	\$0	\$0	\$0	\$0
Pre-Years	2018	\$95,124	\$95,124	\$0	\$0
	2019	\$1,902,488	\$1,997,612	\$0	\$0
	2020	\$265,000	\$2,262,612	\$1,506,216	\$1,506,216
	2021	\$265,000	\$2,527,612	\$1,364,291	\$2,870,507
	2022	\$265,000	\$2,792,612	\$1,211,140	\$4,081,647
	2023	\$265,000	\$3,057,612	\$1,045,624	\$5,127,271
Limitation Period	2024	\$265,000	\$3,322,612	\$866,980	\$5,994,252
(10 Years)	2025	\$265,000	\$3,587,612	\$674,068	\$6,668,320
	2026	\$265,000	\$3,852,612	\$465,746	\$7,134,066
	2027	\$265,000	\$4,117,612	\$240,681	\$7,374,747
	2028	\$265,000	\$4,382,612	\$115,498	\$7,490,244
	2029	\$265,000	\$4,647,612	\$115,498	\$7,605,742
	2030	\$539,498	\$5,187,110	\$0	\$7,605,742
Maintain Viable	2031	\$528,527	\$5,715,637	\$0	\$7,605,742
Presence	2032	\$516,665	\$6,232,302	\$0	\$7,605,742
(5 Years)	2033	\$503,866	\$6,736,168	\$0	\$7,605,742
	2034	\$490,033	\$7,226,200	\$0	\$7,605,742
	2035	\$475,103	\$7,701,303	\$0	\$7,605,742
	2036	\$458,980	\$8,160,283	\$0	\$7,605,742
	2037	\$441,570	\$8,601,852	\$0	\$7,605,742
dditional Years as	2038	\$422,760	\$9,024,612	\$0	\$7,605,742
Required by	2039	\$412,298	\$9,436,910	\$0	\$7,605,742
313.026(c)(1)	2040	\$412,298	\$9,849,207	\$0	\$7,605,742
(10 Years)	2041	\$412,298	\$10,261,505	\$0	\$7,605,742
	2042	\$412,298	\$10,673,803	\$0	\$7,605,742
	2043	\$412,298	\$11,086,100	\$0	\$7,605,742
	2044	\$412,298	\$11,498,398	\$0	\$7,605,742
		\$11,498,398	is greater than	\$7,605,742	

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

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, SP-Horsehead Crossing Solar, 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 SP-Horsehead Crossing Solar, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per SP-Horsehead Crossing Solar, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. "The applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project ... and (ii) to secure long-term project related capital from the limited pool of third-party institutional solar investors that have the very significant resources needed to construct and operate a project of this size."
  - B. "Applicant is competing with solar developers that are developing large solar projects in other states and are also seeking long-term financing from this same small pool of institutional investors as applicant. These institutions have investment hurdle rates, and generally require investment returns of at least 6.5%. At the same time, applicant's solar project is viable only if it is able to sell electricity at competitive prices with the Texas market, which has low electricity rates when compared with most other states. These duel constraints of investor return requirements and the need to offer competitively priced electricity means that the applicant's solar project ... [is] viable only if coupled with tax abatements or other forms of support or relief. ...Without the value limitation, the solar projects outside of Texas, located in Colorado [and] New Mexico would receive the constrained capital. With the value

- limitation approved, applicant's Texas project ROI is near the hurdle required in order to secure capital investment."
- C. The Applicant has multiple other projects outside of Texas that are competing for development and project capital investment. The value limitation is essential to improving the project economics to a point that we can consider bringing this project to Texas. Solar projects and their associated components are modular and can be deployed anywhere in the USA or the world that provides acceptable return on investment.

#### **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

**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



#### Application for Appraised Value Limitation on Qualified Property

SECT	ION 6: Eligibility Under Tax Code Chapter 313.024				
	you an entity subject to the tax under Tax Code. Chapter 171?	1	Yes		
	property will be used for one of the following activities,		_	broad of	11.15
(1	manufacturing 2. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.		Yos	1	1
(2	2) research and development		Yes	V	1
(3	3) a clean coal project, as defined by Section 5.001, Water Code		Yes	1	
(-1	an advanced clean energy project, as defined by Section 382 003. Health and Safety Code		Yes	1	1
(5	renewable energy electric generation	1	Yes	11.00	. 1
(6	electric power generation using integrated gasification combined cycle technology		Yes	1	. 1
(7	1 nuclear electric power generation		Yes	J	1
(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	1	
(9	a Texas Priority Project, as defined by 313 024(e)(7) and TAC 9 1051	I	Yes	1.7	
	you requesting that any of the land be classified as qualified investment?		Yes	Y	
	any of the proposed qualified investment be leased under a capitalized lease?	r	3	I.Y	
	any of the proposed qualified investment be leased under an operating lease?	-	Yes	y	j ľ
	rou including property that is owned by a person other than the applicant?		Yes	Y	
			Yes	$\checkmark$	į
	imit proporty ha pooled or proposed to be explicit out.				
Will a	try property be pooled or proposed to be profed with property owned by the applicant in determining the amount of qualified investment?		Yes	1	, 1
Will a your	ony property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of qualified investment?  ON 7: Project Description		Yes	1	N
Will a your o	qualified investment?	real		√ ngible	
Will a your - ECTI In Tal sonal	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project including at a minimum, the type and plumped use of	real		ngible	
Will a your ECTI In Tal sonal	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information.		and tar	ngible	
Will a your .  ECTI In Tal sonal Check	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information, is the project characteristics that apply to the proposed project.		and tar	ngible	
Will a your	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information, it is project characteristics that apply to the proposed project.  Land has no existing improvements.		and tar	ngible	
Will a your .  ECTI In Tal sonal Check	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information, is the project characteristics that apply to the proposed project  Land has no existing improvements  Land has existing improvements (complete Section 13)  Relocation within Texas		and tar	ngible	
Will a your ECTI In Tal sonal Check	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information, is the project characteristics that apply to the proposed project.  Land has no existing improvements.  Land has existing improvements (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor		and tar	√ √	pe
Will a your FECTION To Be Sonat Check FECTION Does the still be still be sonat the still be s	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information, is the project characteristics that apply to the proposed project  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of intert related to the proposed project?		and tar (3) Yes Yes	√ √	pe
Will a your Charles that the Charles the C	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information.  k the project characteristics that apply to the proposed project  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of interit related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC blings or other documents regarding its intentions regarding the		and tar	√ √	pe
Will a your conditions on all the conditions	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. It is the project characteristics that apply to the proposed project.  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  The applicant entered into any agreements, contracts or letters of intent related to the proposed project?  It is applicant have current business activities at the location where the proposed project will occur?  The applicant made public statements in SEC filings or other documents regarding its intentions regarding the seed project location?		and tar (3) Yes Yes	✓ ✓ ✓ ✓ ✓	pe
Will a your conditions on all the conditions	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information, is the project characteristics that apply to the proposed project.  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of interf related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC filings or other documents regarding its intentions regarding the		and tar (3) Yes Yes Yes	√ √ √ √	pe N
Will a your of the Check of the	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. It is the project characteristics that apply to the proposed project.  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  ON 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  The applicant entered into any agreements, contracts or letters of intent related to the proposed project?  It is applicant have current business activities at the location where the proposed project will occur?  The applicant made public statements in SEC filings or other documents regarding its intentions regarding the seed project location?		and tar 13) Yes Yes Yes	✓ ✓ ✓ ✓ ✓ ✓	pe N N
Will a your FCTI In Tal sonal Check	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. It is the project characteristics that apply to the proposed project  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  DN 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of interf related to the proposed project will occur?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC blings or other documents regarding its intentions regarding the sed project location?		Yes Yes Yes Yes Yes	v v v v v v v v v v v v v v v v v v v	N N N N
Will a your FCTI In Tal sonal Check	ON 7: Project Description  b 4. attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. It is the project characteristics that apply to the proposed project.  Land has no existing improvements.  Expansion of existing operation on the land (complete Section 13).  Relocation within Texas.  ON 8: Limitation as Determining Factor.  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of interit related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC filings or other documents regarding its intentions regarding the seed project location?  The applicant received any local or state permits for activities on the proposed project site?		Yes Yes Yes Yes Yes Yes Yes Yes	v v v v v	N N N N N N N N N N N N N N N N N N N
Will a your FECTI In Tal sonal Check	ON 7: Project Description  b 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant information. It is the project characteristics that apply to the proposed project.  Land has no existing improvements  Expansion of existing operation on the land (complete Section 13)  Relocation within Texas  DN 8: Limitation as Determining Factor  the applicant currently own the land on which the proposed project will occur?  the applicant entered into any agreements, contracts or letters of interf related to the proposed project?  the applicant have current business activities at the location where the proposed project will occur?  the applicant made public statements in SEC hings or other documents regarding its intentions regarding the sed project location?  the applicant received any local or state permits for activities on the proposed project site?  the applicant received commitments for state or local incentives for activities at the proposed project site?  applicant evaluating other locations not in Texas for the proposed project?  the applicant provided capital investment or return on investment information for the proposed project in compansion		Yes Yes Yes Yes Yes Yes	V mgible	

For more information, wist our website: www.TexasAhead.org/tax\_programs/chapter313/

under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

# **Supporting Information**

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

#### Tab 5

#### Documentation to Assist in Determining if Limitation is a Determining Factor

The applicant's parent company for this project is a national solar developer with the ability to locate projects of this type in other states in the US with strong solar characteristics. The applicant is actively developing other projects in Arizona, Colorado, New Mexico, Missouri, and Minnesota. All of these projects are competing with the Crane County project for applicant's limited resources (see Attachment 1). The applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project (e.g., paying for studies related to environment and subsurface geotechnical conditions at the project site, having detailed land surveys carried out, retaining the services of specialized legal counsel and consultants), and (ii) to secure long-term (>20 years) project related capital from the limited pool of third-party institutional solar investors that have the very significant resources needed to construct and operate a project of this size.

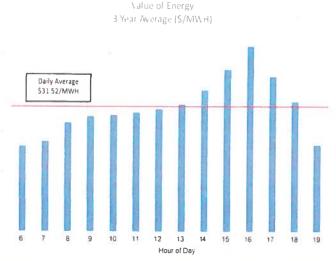
Applicant is competing with other solar developers that are developing large solar projects in other states and are also seeking long-term financing from this same small pool of institutional investors as applicant. These institutions have investment hurdle rates, and generally require investment returns of at least 6.5%. At the same time, applicant's solar project is viable only if it is able to sell electricity at competitive prices within the Texas market, which has low electricity rates when compared with most other states. These duel constraints of investor return requirements and the need to offer competitively-priced electricity means that applicant's solar project (and other solar projects within Texas) are viable only if coupled with tax abatements or other form(s) of support or relief. Specifically, without the value limitation sought by applicant, the project return on investment (ROI) of less than 6% is well below investor requirements of at least 6.5% ROI (see table below), making it unattractive to institutional investors and also inferior to the applicant's other projects outside of Texas as shown in table. Without the value limitation, the solar projects outside of Texas, located in Colorado & New Mexico, would receive the constrained investment capital. With the value limitation approved, applicant's Texas project ROI is near the hurdle required in order to secure capital investment.

Projects Competing for Investment Capital	Texas	Project	Outside Texas, Competing Projects			
	Crane County, TX	Crane County, TX	Pueblo, CO	Deming NM	Alamosa, CO	
Property Tax Abatement/Value Limitation	No	Yes	Yes	Yes	Yes	
ROI: Project IRR (to Investor)	< 6.0%	6.45%	6.78%	6.68%	6.55%	

#### Application #1182, Amendment 002, May 23, 2017

Other solar companies are also seeking value limitation. As noted by one applicant in a publicly available application: "Property taxes can be the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bilateral contract."

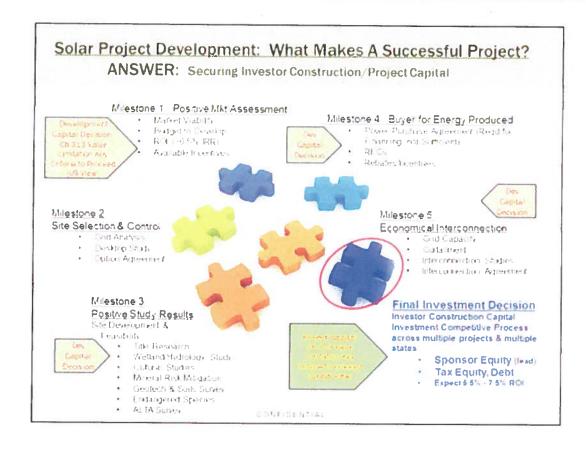
This is supported by the information in the chart to right showing value of energy in West Texas from publicly available ERCOT data. Without the value limitation, either 1)solar companies would have to



charge well above the 3 year average of \$31.52 per MWH, making the PPA undesirable for a potential PPA counterparty or 2) if the solar project matches the competitive energy price in the PPA, the project margins (ROI) would be so low that the project would never receive financing and the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher.

#### **Solar Project Development Process**

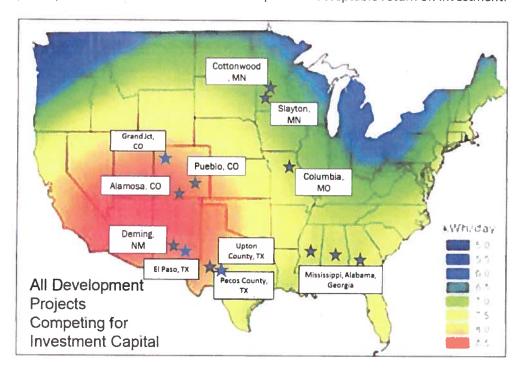
The applicant has provided an explanation of its Solar Project Development process below in an effort to further elaborate on the elements that are necessary to secure development and investment capital necessary to bring a project to Texas. In order to invest in and make the decision to construct a Texas solar project, several milestones must be met to advance the project to a point where it will be considered by an investor of project/construction capital. The applicant, as the project developer, works closely with investors to ensure there is a clear understanding of their financial and other project related requirements. The applicant then adopts these requirements in making development capital decisions, which fund the work in achieving the project related milestones shown in the image below. The achievement of an individual milestone, absent the other milestones, is not sufficient in order to secure investment capital as a fatal flaw may exist in one of the other milestone categories. As an example, even with a "Buyer for the Energy" (milestone 4 in the image below), the project cannot obtain investment capital because the project investor must also be certain that the market is viable (milestone 1), that the land site is controlled (milestone 2), that there are not endangered species, geotech, mineral title, etc related fatal flaws from milestone 3, and that the project can even be interconnected to the grid successfully (milestone 5).



### Attachment 1

### Applicant's Other Projects Outside of Texas Competing for Investment

The Applicant has multiple other projects outside of Texas (see image below for our other projects) that are competing for development and project capital investment. The value limitation is essential to improving the project economics to a point that we can consider bringing this project to Texas. Solar projects and their associated components are modular and can be deployed anywhere in the USA or the world that provides acceptable return on investment.



Findings and Order of the Crane Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by SP-Horsehead Crossing Solar, LLC (Tax ID 32062186138) (Application #1182)

ATTACHMENT E
Summary of Financial Impact on
Crane ISD Prepared by
Jigsaw School Finance Solutions, LLC



### SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED

# SP-HORSEHEAD CROSSING SOLAR, LLC PROJECT (APPLICATION # 1182)

ON THE FINANCES OF

CRANE INDEPENDENT SCHOOL DISTRICT

UNDER A REQUESTED
CHAPTER 313 APPRAISED VALUE LIMITATION

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC

**OCTOBER 3, 2017** 



### Introduction

SP-Horsehead Crossing Solar, LLC has submitted an application to the Crane ISD Board of Trustees for a property value limitation on a proposed project under Chapter 313 of the Tax Code. The application was reviewed and signed by authorized representatives from the school district and the business in May of 2017. The application is for a renewable energy electric generation project as authorized by Section 313.024(b) of the Tax Code with a proposed \$179.5 million qualifying investment. This project is consistent with the state's goal for economic development, the expanded intent of House Bill 1200 as originally passed by the Texas Legislature in 2001 and amended thereafter, and with Chapter 313 of the Texas Tax Code.

SP-Horsehead Crossing Solar, LLC is proposing an investment in Crane ISD for a renewable energy project to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant. Under the provisions of Chapter 313, Crane ISD may offer a minimum value limitation of \$25 million. Under Section 313.027, the application must provide that the limitation under Subsection (1) applies for a period of 10 years; and (2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after: (A) the application date; (B) the qualifying time period; or (C) the date commercial operations begin at the site of the project. SP-Horsehead Crossing Solar, LLC proposed the first quarter of 2020 as the commencement of commercial operations with January 1, 2020 as the beginning date of the limitation. For the purpose of this review, the limitation would extend from 2020-21 through 2029-30 (years 1-10) school years. Beginning with the 2020-21 school year, the project would go on the local tax roll at \$25 million and remain at that level of taxable value for ten years for maintenance and operations (M&O) taxes.

### **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 a 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. 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 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 (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. 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 \$319,500 in Tier 2 Level 2. Crane ISD is a property rich per student district thus generating most of Maintenance and Operation revenue from local ad valorem property taxes. In an attempt to provide some degree of funding equity among school districts, the formulas provide two equalized wealth levels. A district that exceeds the first equalized wealth level of \$514,000 per weighted ADA is subject to recapture on taxes collected at the compressed rate. A district that exceeds the second equalized wealth level of \$319,500 per weighted ADA is subject to recapture on revenues collected on pennies that exceed six pennies over the compressed rate. SP-Horsehead Crossing Solar, LLC is requesting that the value of the renewable energy project be limited to \$25,000,000 in years one through ten of the agreement. The full value of the project would be subject to interest and sinking



taxes (I&S) levied by Crane ISD in all years of the agreement.

Crane ISD is unique in that it is considered a Chapter 41 hold harmless district. Only about 5% of the districts in the state qualify for this provision. The Chapter 41 hold harmless provision allows a district to retain more wealth than it would otherwise keep at the EWL. A district is eligible for this provision if the revenue per WADA generated by applying a \$1.50 rate to the tax base at the EWL is less than what the district's revenue per WADA was in 1992-93. This provision allows a district to keep a higher tax base, referred to as the hold harmless tax base, so that its 1992-93 revenue per WADA is maintained.

State funding formulas assume that the Texas Legislature will act on the "statement of legislative intent" and eliminate Additional State Aid for Tax Reduction at the end of the 2016-17 school year. Formula funded school districts can see significant changes in total funding when property values and maintenance and operations tax collections fluctuate.

### **Underlying Assumptions**

A forecast of the financial impact that the proposed value limitation will have on Crane ISD's future revenue streams will be very useful to the district concerning the decision to grant the limitation and for the district's long range financial planning process. 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 and 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. The enrollment and property value assumptions are summarized in **Table 1**.

To isolate the impact of the value limitation on the district's finances over this 15 year agreement, average daily attendance and maintenance and operation tax rates were held constant at levels that existed in the 2016-17 school year. On April 26, 2017 the Crane County Appraisal District preliminarily certified the district's 2017 current year (CAD) net taxable values at \$890,000,000. These values were used as the basis for subsequent current year (CAD) values in this report. The 2016 Comptroller Property Tax Division (CPTD) values also certified to school districts were used as a basis for predicting prior year (CPTD) values for each of the agreement years.

As mentioned above, in order to provide calculations extended 15 years into the future and to isolate the impact of the proposed project by SP-Horsehead Crossing Solar, LLC, certain constants and assumptions are used.

- 1. The estimates presented at the end of the report are based upon the school funding system and formulas as defined by House Bill 1 passed in 2015. In addition, the hold harmless provisions related to the additional \$10,000 homestead exemption outlined in Senate Bill 1 and the constitutional amendment approved by the voters have also been factored into this review. This school funding system and formulas were used for the duration of the project; although, no guarantee exists that this system or these formulas will remain in effect after the 2016-17 school year.
- 2. The 2016-17 ADA of 1015 has been used as the basis of these calculations and was held constant for the duration of the agreement. SP-Horsehead Crossing Solar, LLC commits to qualifying new jobs but student enrollment growth is not expected to be impacted by this project.



- 3. The general approach used is to maintain relatively static base property values. The preliminary certified CAD taxable value, as furnished by Upton County Appraisal District for school year 2017-18, was used as the base value to which the estimated project values for each year as set forth in schedule B of the application were added. These projected CAD values were then used for the CPTD values in each of the following years based on the lag between these two values.
- 4. Although the impact of the approval of this agreement could result in lower M&O tax rates in future years, an evaluation of the M&O tax rate is not included in the scope of this analysis. The calculated tax collections each year are based on the district's 2016-17 proposed M&O rate of \$1.06 and was used for the duration of the review with an assumed collection rate of 100 percent each year with no projected delinquent taxes.

The proposed agreement calls for Crane ISD 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 model illustrated in **Table 2** incorporates the full value of the SP-Horsehead Crossing Solar, LLC project into the state and local funding calculations. The other model shown in **Table 3** assumes that only the limited value of the SP-Horsehead Crossing Solar, LLC 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**. Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the fifteen years of this proposed agreement. If the full value of the project increases significantly during the value limitation period, the school district revenue losses may be larger than these estimates.

### **Financial Impact on the District**

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. During the first year when the value of the property is limited, the school district will likely see a significant loss in total revenue. 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. Any revenue loss exceeding tax savings are rolled to the following school year.

Utilizing the assumptions and methodology described above, total maintenance and operation revenue was calculated for each year of the agreement. A summary of the differences in **Table 2** and **Table 3** are summarized in **Table 4**. Losses in total state and local M&O revenue to the district is noted to start in year one (2020- 2021) resulting from the agreement due to the inverted value lag between the CPTD and CAD values during the first year of the value limitation. The estimated revenue loss is \$1,458,548 as noted in **Table 4** for year 2020-2021. In all other years where the project value is limited, the calculations that include the limited project amounts show lower revenue losses. The total of all revenue loss payments for the full term of the project is estimated to be \$5,792,855. However, according to the language in the agreement, loss payments will be capped at 20 percent of the company tax savings.



The Supplemental Payment Clause of the proposed agreement calls for the school district to annually receive the greater of \$50,000 or \$100 multiplied by the district's average daily attendance. The 2017-18 first six ADA of 1058 was used for the average daily attendance in the calculations, \$105,800 will be the required supplemental payment clause.

### M&O Impact on Taxpayer (SP-Horsehead Crossing Solar, LLC

The terms of the proposed agreement call for the maintenance and operation (M&O) value of the SP-Horsehead Crossing Solar, LLC project to be limited to \$25 million starting in tax year 2019 (school year 2020-21) and remaining limited through tax year 2028 (school year 2029-30). The potential gross and net tax savings to SP-Horsehead Crossing Solar, LLC are shown in **Table 5**. The focus of this table is on the M&O tax rate only. As stated earlier, an M&O tax rate of \$1.06 and a collection rate of 100% are used throughout the calculations in this report. **Table 5** shows gross tax savings due to the limitation of \$7.61 million over the length of the contract. The estimated net benefit to SP-Horsehead Crossing Solar after the payment of the revenue protection payment and the supplemental payments is \$5,319,878. This analysis is based on timelines and value estimates provided by SP-Horsehead Crossing Solar, LLC's application and uses current school funding formulas adopted in the 85th Legislative session.

It is important to note that future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

The SP-Horsehead Crossing Solar, LLC is not eligible for a tax credit(s) on taxes paid on value in excess of the value limitation in the years prior to the value limitation becoming effective. House Bill (HB) 3390 as passed by the 83rd Texas Legislature repealed the provision for tax credits. Correspondingly the provision for the school district to make such payments to SP-Horsehead Crossing Solar, LLC and the reimbursement by the state for such tax credit payments has been eliminated.

### **I&S Funding Impact on School District**

The value of the SP-Horsehead Crossing Solar, LLC project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to increase the district's projected wealth per WADA to \$726,949 in the peak year of I&S taxable project value based on the project estimates provided by the company. 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. Crane ISD has property wealth per ADA that exceeds this amount and is thus not eligible for this state assistance.

### Conclusion

While some uncertainty exists concerning school finance legislation over the future of this project, the following points appear to currently apply to the SP-Horsehead Crossing Solar, LLC project and to the Crane ISD. The proposed project enhances the tax base of Crane ISD, reflects continued capital investment and job creation by SP-Horsehead Crossing Solar, LLC in keeping with the goals of Chapter 313 of the Tax Code. Under the assumptions outlined above, the potential benefit for SP-Horsehead Crossing Solar, LLC under a Chapter 313 agreement could reach an estimated \$5,319,878. This amount is the net after anticipated revenue loss payments and any supplemental payments are made to Crane ISD as permitted



by law and the agreement. The renewable energy project brings large scale capital investment to the area and Crane ISD will benefit from a growing tax base that can be leveraged to meet possible future debt service obligations and provide first class facilities for the district's students and faculty. The contractually agreement with SP-Horsehead Crossing Solar, LLC will enhances the tax base of Crane ISD without creating an overall financial loss to M&O earnings for the district over the term of the project per the contractually agreement to offset the loss that is indicated in the Table 5 and to the payment of annual supplemental payments.

Table 1—Base District Information with SP-Horsehead Crossing Solar #1182 Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value No Limitation	٧	CAD Value v / Limitation	ı	CPTD No Limitation	CPTD w / Limitation	Ī	CPTD alue with Project er WADA	Ĺ	CPTD alue with imitation er WADA
0	2016-17	1,015	1,631	\$1.0600	\$0.0529	\$ 851,700,400	\$	851,700,400	\$	1,521,534,796	\$ 1,521,534,796	\$	932,885	\$	932,885
0	2017-18	1,015	1,631	\$1.0600	\$0.0502	\$ 890,000,000	\$	890,000,000	\$	850,950,914	\$ 850,950,914	\$	521,736	\$	521,736
QTP 1	2018-19	1,015	1,631	\$1.0600	\$0.0499	\$ 898,974,000	\$	898,974,000	\$	890,000,000	\$ 890,000,000	\$	545,677	\$	545,677
QTP 2	2019-20	1,015	1,631	\$1.0600	\$0.0420	\$ 1,069,480,000	\$	1,069,480,000	\$	898,974,000	\$ 898,974,000	\$	551,180	\$	551,180
LP 1	2020-21	1,015	1,631	\$1.0600	\$0.0426	\$ 1,057,095,880	\$	915,000,000	\$	1,069,480,000	\$ 1,069,480,000	\$	655,720	\$	655,720
LP 2	2021-22	1,015	1,631	\$1.0600	\$0.0431	\$ 1,043,706,672	\$	915,000,000	\$	1,057,095,880	\$ 915,000,000	\$	648,127	\$	561,006
LP 3	2022-23	1,015	1,631	\$1.0600	\$0.0436	\$ 1,029,258,532	\$	915,000,000	\$	1,043,706,672	\$ 915,000,000	\$	639,918	\$	561,006
LP 4	2023-24	1,015	1,631	\$1.0600	\$0.0441	\$ 1,013,643,772	\$	915,000,000	\$	1,029,258,532	\$ 915,000,000	\$	631,060	\$	561,006
LP 5	2024-25	1,015	1,631	\$1.0600	\$0.0451	\$ 996,790,600	\$	915,000,000	\$	1,013,643,772	\$ 915,000,000	\$	621,486	\$	561,006
LP 6	2025-26	1,015	1,631	\$1.0600	\$0.0457	\$ 978,591,328	\$	915,000,000	\$	996,790,600	\$ 915,000,000	\$	611,153	\$	561,006
LP 7	2026-27	1,015	1,631	\$1.0600	\$0.0468	\$ 958,938,268	\$	915,000,000	\$	978,591,328	\$ 915,000,000	\$	599,995	\$	561,006
LP 8	2027-28	1,015	1,631	\$1.0600	\$0.0477	\$ 937,705,784	\$	915,000,000	\$	958,938,268	\$ 915,000,000	\$	587,945	\$	561,006
LP 9	2028-29	1,015	1,631	\$1.0600	\$0.0483	\$ 925,896,000	\$	915,000,000	\$	937,705,784	\$ 915,000,000	\$	574,927	\$	561,006
LP 10	2029-30	1,015	1,631	\$1.0600	\$0.0487	\$ 925,896,000	\$	915,000,000	\$	925,896,000	\$ 915,000,000	\$	567,686	\$	561,006
VP 1	2030-31	1,015	1,631	\$1.0600	\$0.0000	\$ 940,896,000	\$	940,896,000	\$	925,896,000	\$ 915,000,000	\$	567,686	\$	561,006
VP 2	2031-32	1,015	1,631	\$1.0600	\$0.0000	\$ 939,861,000	\$	939,861,000	\$	940,896,000	\$ 940,896,000	\$	576,883	\$	576,883
VP 3	2032-33	1,015	1,631	\$1.0600	\$0.0000	\$ 938,742,000	\$	938,742,000	\$	939,861,000	\$ 939,861,000	\$	576,248	\$	576,248
VP 4	2033-34	1,015	1,631	\$1.0600	\$0.0000	\$ 937,534,500	\$	937,534,500	\$	938,742,000	\$ 938,742,000	\$	575,562	\$	575,562
VP 5	2034-35	1,015	1,631	\$1.0600	\$0.0000	\$ 935,157,775	\$	935,157,775	\$	937,534,500	\$ 937,534,500	\$	574,822	\$	574,822
0	2035-36	1,015	1,631	\$1.0600	\$0.0000	\$ 932,899,886	\$	932,899,886	\$	935,157,775	\$ 935,157,775	\$	573,365	\$	573,365
0	2036-37	1,015	1,631	\$1.0600	\$0.0000	\$ 930,754,892	\$	930,754,892	\$	932,899,886	\$ 932,899,886	\$	571,980	\$	571,980

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	Fo	199/5812 oundation hool Fund	1	199/5811 Available hool Fund	r	M&O Rev From Local Taxes (net of ecapture and up to compressed rate)	T :	M&O Rev From Local axes (up to \$.06 above ompressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	the	capture at e \$514,00 Level vel 1 EWL"	Recapture at the \$319,500 Level "Level 2 EWL"	Other State Aid	Total General Fund
0	2016-17	\$	8,352,230	\$	404,545	\$	5,616,373	\$	511,020	\$0	\$	2,900,631	\$0	\$0	\$ 14,884,167
0	2017-18	\$	601,828	\$	240,646	\$	8,900,000	\$	534,000	\$0	\$	0	\$0	\$0	\$ 10,276,474
QTP 1	2018-19	\$	629,111	\$	380,805	\$	8,989,740	\$	539,384	\$0	\$	0	\$0	\$0	\$ 10,539,040
QTP 2	2019-20	\$	713,757	\$	203,096	\$	10,694,800	\$	641,688	\$0	\$	0	\$0	\$0	\$ 12,253,341
LP 1	2020-21	\$	511,719	\$	380,805	\$	9,831,357	\$	634,258	\$0	\$	739,602	\$0	\$0	\$ 11,358,138
LP 2	2021-22	\$	518,387	\$	240,646	\$	9,978,786	\$	626,224	\$0	\$	458,281	\$0	\$0	\$ 11,364,043
LP 3	2022-23	\$	526,313	\$	380,805	\$	9,805,482	\$	617,555	\$0	\$	487,104	\$0	\$0	\$ 11,330,155
LP 4	2023-24	\$	534,163	\$	203,096	\$	9,992,634	\$	608,186	\$0	\$	143,804	\$0	\$0	\$ 11,338,079
LP 5	2024-25	\$	542,672	\$	380,805	\$	9,773,879	\$	598,074	\$0	\$	194,027	\$0	\$0	\$ 11,295,431
LP 6	2025-26	\$	551,879	\$	240,646	\$	9,785,913	\$	587,155	\$0	\$	0	\$0	\$0	\$ 11,165,593
LP 7	2026-27	\$	561,844	\$	380,805	\$	9,589,383	\$	575,363	\$0	\$	0	\$0	\$0	\$ 11,107,395
LP 8	2027-28	\$	572,626	\$	203,096	\$	9,377,058	\$	562,623	\$0	\$	0	\$0	\$0	\$ 10,715,403
LP 9	2028-29	\$	589,066	\$	380,805	\$	9,258,960	\$	555,538	\$0	\$	0	\$0	\$0	\$ 10,784,369
LP 10	2029-30	\$	602,515	\$	240,646	\$	9,258,960	\$	555,538	\$0	\$	0	\$0	\$0	\$ 10,657,659
VP 1	2030-31	\$	610,587	\$	380,805	\$	9,408,960	\$	564,538	\$0	\$	0	\$0	\$0	\$ 10,964,890
VP 2	2031-32	\$	592,723	\$	203,096	\$	9,398,610	\$	563,917	\$0	\$	0	\$0	\$0	\$ 10,758,346
VP 3	2032-33	\$	593,343	\$	380,805	\$	9,387,420	\$	563,245	\$0	\$	0	\$0	\$0	\$ 10,924,813
VP 4	2033-34	\$	594,013	\$	240,646	\$	9,375,345	\$	562,521	\$0	\$	0	\$0	\$0	\$ 10,772,525
VP 5	2034-35	\$	593,941	\$	380,805	\$	9,351,578	\$	561,095	\$0	\$	0	\$0	\$0	\$ 10,887,418
0	2035-36	\$	596,160	\$	203,096	\$	9,328,999	\$	559,740	\$0	\$	0	\$0	\$0	\$ 10,687,995
0	2036-37	\$	597,512	\$	380,805	\$	9,307,549	\$	558,453	\$0	\$	0	\$0	\$0	\$ 10,844,319



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

Year of Agreement	School Year	F	199/5812 oundation :hool Fund	199/5811 Available chool Fund	Loc of r	O Rev From al Taxes (net ecapture and compressed rate)	Local \$.0 comp	Rev From Taxes (up to 06 above ressed rate; recapture)	M&O Rev From Local Taxes (net of any recapture)	\$5	capture t the 14,000 .evel	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
0	2016-17	\$	8,352,230	\$ 404,545	\$	5,616,373	\$	511,020	\$0	\$ 2,	900,631	\$0	\$0	\$ 14,884,167
0	2017-18	\$	601,828	\$ 240,646	\$	8,900,000	\$	534,000	\$0	\$	0	\$0	\$0	\$ 10,276,474
QTP 1	2018-19	\$	629,111	\$ 380,805	\$	8,989,740	\$	539,384	\$0	\$	0	\$0	\$0	\$ 10,539,040
QTP 2	2019-20	\$	713,757	\$ 203,096	\$	10,694,800	\$	641,688	\$0	\$	0	\$0	\$0	\$ 12,253,341
LP 1	2020-21	\$	458,631	\$ 380,805	\$	8,511,154	\$	549,000	\$0	\$	638,846	\$0	\$0	\$ 9,899,590
LP 2	2021-22	\$	609,052	\$ 240,646	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,548,698
LP 3	2022-23	\$	609,052	\$ 380,805	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,688,857
LP 4	2023-24	\$	609,052	\$ 203,096	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,511,148
LP 5	2024-25	\$	609,052	\$ 380,805	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,688,857
LP 6	2025-26	\$	609,052	\$ 240,646	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,548,698
LP 7	2026-27	\$	609,052	\$ 380,805	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,688,857
LP 8	2027-28	\$	609,052	\$ 203,096	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,511,148
LP 9	2028-29	\$	609,052	\$ 380,805	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,688,857
LP 10	2029-30	\$	609,052	\$ 240,646	\$	9,150,000	\$	549,000	\$0	\$	0	\$0	\$0	\$ 10,548,698
VP 1	2030-31	\$	622,960	\$ 380,805	\$	9,408,960	\$	564,538	\$0	\$	0	\$0	\$0	\$ 10,977,263
VP 2	2031-32	\$	592,723	\$ 203,096	\$	9,398,610	\$	563,917	\$0	\$	0	\$0	\$0	\$ 10,758,346
VP 3	2032-33	\$	593,343	\$ 380,805	\$	9,387,420	\$	563,245	\$0	\$	0	\$0	\$0	\$ 10,924,813
VP 4	2033-34	\$	594,013	\$ 240,646	\$	9,375,345	\$	562,521	\$0	\$	0	\$0	\$0	\$ 10,772,525
VP 5	2034-35	\$	593,941	\$ 380,805	\$	9,351,578	\$	561,095	\$0	\$	0	\$0	\$0	\$ 10,887,418
0	2035-36	\$	596,160	\$ 203,096	\$	9,328,999	\$	559,740	\$0	\$	0	\$0	\$0	\$ 10,687,995
0	2036-37	\$	597,512	\$ 380,805	\$	9,307,549	\$	558,453	\$0	\$	0	\$0	\$0	\$ 10,844,319

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

Year of Agreement	School Year	Fo	99/5812 oundation School Fund	199/5811 Available School Fund	Fr Ta r	M&O Rev rom Local xes (net of recapture and up to ompressed rate)	Fi Ta \$, co	M&O Rev rom Local xes (up to .06 above mpressed rate; no ecapture)	M&O Rev From Local Taxes (net of any recapture)	ecapture at le \$514,000 Level	Recapture at the \$319,500 Level	Other State Aid	To	otal General Fund	School District Revenue Losses
0	2016-17	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
0	2017-18	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
QTP 1	2018-19	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
QTP 2	2019-20	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
LP 1	2020-21	\$	-53,088	\$0	\$	-1,320,202	\$	-85,258	\$0	\$ -100,756	\$0	\$0	\$	-1,458,548	\$ -1,458,548
LP 2	2021-22	\$	90,665	\$0	\$	-828,786	\$	-77,224	\$0	\$ -458,281	\$0	\$0	\$	-815,345	\$ -815,345
LP 3	2022-23	\$	82,739	\$0	\$	-655,482	\$	-68,555	\$0	\$ -487,104	\$0	\$0	\$	-641,298	\$ -641,298
LP 4	2023-24	\$	74,889	\$0	\$	-842,634	\$	-59,186	\$0	\$ -143,804	\$0	\$0	\$	-826,931	\$ -826,931
LP 5	2024-25	\$	66,380	\$0	\$	-623,879	\$	-49,074	\$0	\$ -194,027	\$0	\$0	\$	-606,574	\$ -606,574
LP 6	2025-26	\$	57,173	\$0	\$	-635,913	\$	-38,155	\$0	\$ 0	\$0	\$0	\$	-616,895	\$ -616,895
LP 7	2026-27	\$	47,208	\$0	\$	-439,383	\$	-26,363	\$0	\$ 0	\$0	\$0	\$	-418,538	\$ -418,538
LP 8	2027-28	\$	36,426	\$0	\$	-227,058	\$	-13,623	\$0	\$ 0	\$0	\$0	\$	-204,255	\$ -204,255
LP 9	2028-29	\$	19,986	\$0	\$	-108,960	\$	-6,538	\$0	\$ 0	\$0	\$0	\$	-95,512	\$ -95,512
LP 10	2029-30	\$	6,537	\$0	\$	-108,960	\$	-6,538	\$0	\$ 0	\$0	\$0	\$	-108,961	\$ -108,961
VP 1	2030-31	\$	12,373	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	12,373	\$ 0
VP 2	2031-32	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
VP 3	2032-33	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
VP 4	2033-34	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
VP 5	2034-35	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
0	2035-36	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0
0	2036-37	\$	0	\$0	\$	0	\$	0	\$0	\$ 0	\$0	\$0	\$	0	\$ 0



# Table 5—Estimated Financial Impact

\$5,319,878.08	\$2,285,863.98	225,887	\$	\$ 1,587,000	1,812,887	\$	\$ -5,792,855	7,605,742	\$ 7,6	\$ 7,605,742	7,226,200	↔	\$ 14,831,942	\$							TOTALS
\$ 0.00	\$ 0.00	0	↔	\$	0 \$	<del>⇔</del>	\$	0	↔	0	0	↔	0	↔	1.0600	\$	0	0	↔	2036-37	0
\$ 0.00	\$ 0.00	0	€9	0	0 \$	₩	\$ 0	0	↔	0	0	€9	0	€9	1.0600	•	0	0 \$	↔	2035-36	0
\$ 0.00	\$ 0.00	0	↔	0	0	↔	\$ 0	0	↔	0	490,033	↔	490,033	↔	1.0600	\$	46,229,500	46,229,500 \$	\$ 46,22	2034-35	0
\$ 0.00	\$ 0.00	0	↔	0	0	↔	\$ 0	0	↔	0	503,866	↔	503,866	↔	1.0600	\$	47,534,500	47,534,500 \$	\$ 47,50	2033-34	VP 5
\$ -105,800.00	\$ 105,800.00	-105,800	↔	\$ 105,800	0	↔	\$ 0	0	↔	\$	516,665	↔	516,665	↔	1.0600	\$	48,742,000	48,742,000 \$	\$ 48,74	2032-33	VP 4
\$ -105,800.00	\$ 105,800.00	-105,800	↔	\$ 105,800	0 \$	↔	\$ 0	0	↔	\$	528,527	↔	528,527	↔	1.0600	\$	49,861,000	49,861,000 \$	\$ 49,86	2031-32	VP3
\$ -105,800.00	\$ 105,800.00	-105,800	↔	\$ 105,800	0	↔	\$	0	↔	0	539,498	↔	539,498	↔	1.0600	\$	50,896,000	50,896,000 \$	\$ 50,89	2030-31	VP 2
\$ 9,697.60	\$ 105,800.00	-99,263	↔	\$ 105,800	6,537	↔	\$ -108,961	115,498	↔	\$ 115,498	265,000	↔	380,498	↔	1.0600	\$ 10,896,000	25,000,000	35,896,000 \$	\$ 35,89	2029-30	VP 1
\$ 9,697.60	\$ 105,800.00	-85,814	↔	\$ 105,800	19,986 \$	↔	\$ -95,512	115,498	↔	\$ 115,498	265,000	↔	380,498	↔	1.0600	\$ 10,896,000	25,000,000	35,896,000 \$	\$ 35,89	2028-29	LP 10
\$ 134,881.31	\$ 105,800.00	-69,374	↔	\$ 105,800	36,426	↔	\$ -204,255	240,681	↔	\$ 240,681	265,000	↔	505,681	↔	1.0600	\$ 22,705,784	25,000,000	47,705,784 \$	\$ 47,70	2027-28	LP 9
\$ 359,945.64	\$ 105,800.00	-58,592	↔	\$ 105,800	47,208 \$	↔	\$ -418,538	465,746	<del>\$</del>	\$ 465,746	265,000	↔	730,746	↔	1.0600	\$ 43,938,268	25,000,000	68,938,268 \$	\$ 68,93	2026-27	LP 8
\$ 539,254.46	\$ 134,813.62	-48,627	↔	\$ 105,800	57,173	↔	\$ -616,895	674,068	\$	\$ 674,068	265,000	↔	939,068	↔	1.0600	\$ 63,591,328	25,000,000	88,591,328 \$	\$ 88,59	2025-26	LP 7
\$ 693,584.29	\$ 173,396.07	154,607	↔	\$ 105,800	260,407	↔	\$ -606,574	866,980	<b>⇔</b>	\$ 866,980	265,000	↔	1,131,980	↔	1.0600	\$ 81,790,600	25,000,000	106,790,600 \$	\$ 106,79	2024-25	LP 6
\$ 836,499.19	\$ 209,124.80	112,893	↔	\$ 105,800	218,693	↔	\$ -826,931	1,045,624	\$ 1,0	\$ 1,045,624	265,000	↔	1,310,624	↔	1.0600	\$ 98,643,772	25,000,000	43,772 \$	\$ 123,643,772	2023-24	LP 5
\$ 968,912.35	\$ 242,228.09	464,043	↔	\$ 105,800	569,843	↔	\$ -641,298	1,211,140	\$ 1,2	\$ 1,211,140	265,000	↔	1,476,140	↔	1.0600	\$ 114,258,532	25,000,000	58,532 \$	\$ 139,258,532	2022-23	LP 4
\$1,091,432.58	\$ 272,858.14	443,146	↔	\$ 105,800	548,946	↔	\$ -815,345	1,364,291	\$ 1,0	\$ 1,364,291	265,000	↔	1,629,291	↔	1.0600	\$ 128,706,672	25,000,000	06,672 \$	\$ 153,706,672	2021-22	LP 3
\$1,204,973.06	\$ 301,243.27	-58,132	↔	\$ 105,800	47,668 \$	↔	\$ -1,458,548	1,506,216	\$ 1,5	\$ 1,506,216	265,000	↔	1,771,216	↔	1.0600	\$ 142,095,880	25,000,000	95,880 \$	\$ 167,095,880	2020-21	LP 2
\$ -105,800.00	\$ 105,800.00	-105,800	↔	\$ 105,800	0	↔	\$ 0	0	↔	0	1,902,488	↔	1,902,488	↔	1.0600	\$	179,480,000	↔	\$ 179,480,000	2019-20	F <sub>1</sub>
\$ -105,800.00	\$ 105,800.00	-105,800	↔	\$ 105,800	0	↔	\$ 0	0	↔	0	95,124	↔	95,124	↔	1.0600	\$	8,974,000	8,974,000 \$	\$ 8,97	2018-19	QTP 2
\$ 0.00	\$ 0.00	0	↔	\$	0 \$	↔	\$ 0	0	↔	\$	0	€9	0	€9	1.0600	\$	0	0 \$	↔	2017-18	QTP 1
\$ 0.00	\$ 0.00	0	\$	\$ 0	0 \$	\$	\$ 0	0	\$	\$ 0	0	\$	0	\$	1.0600	\$ 0	0	0 \$	\$	2016-17	0
Company Tax Savings- Greater of Supplement Payment or 20% Limit	School District Benefit - Greater of Supplement Payment or 20% Limit	Company Tax Benefit		School District Supplement - al Payment - \$100 per ADA	Estimated Net Tax Benefits	m - m	School District Revenue Losses	Tax Benefit to Company Before Revenue Protection	Tax to Cc Be Rev Prot	Tax Savings @ Projected M&O Rate	Taxes after Value Limit	Υ. Τ.	Taxes Before Value Limit	<	Assumed M&O Tax Rate	Value Savings	Estimated Taxable Value		Project Value	School Year	Year of Agreement

숙두웤

Qualifying Time Period Limitation Period 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 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

Findings and Order of the Crane Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by SP-Horsehead Crossing Solar, LLC (Tax ID 32062186138) (Application #1182)

ATTACHMENT F Comptroller's 2016 ISD Summary Worksheet For Crane ISD





Property Tax Assistance

## 2016 ISD Summary Worksheet

### 052/Crane

### 052-901/Crane ISD

Category	Local Tax Roll Valu e	2016 WTD Mean Ra tio	2016 PTAD Value Es timate	2016 Value Assigne d
A. Single-Family Res idences	98,175,920	.9590	102,373,222	98,175,920
B. Multi-Family Resi dences	452,040	N/A	452,040	452,040
C1. Vacant Lots	3,391,700	N/A	3,391,700	3,391,700
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxa ble)	1,579,480	1.1995	1,316,829	1,579,480
D2. Real Prop Farm & Ranch	118,690	N/A	118,690	118,690
E. Real Prop NonQu al Acres	10,005,090	N/A	10,005,090	10,005,090
F1. Commercial Rea	12,729,220	N/A	12,729,220	12,729,220
F2. Industrial Real	48,422,270	N/A	48,422,270	48,422,270
G. Oil, Gas, Mineral s	488,144,980	1.0153	480,788,910	488,144,980
J. Utilities	192,910,790	.9496	203,149,526	192,910,790
L1. Commercial Per sonal	10,017,010	N/A	10,017,010	10,017,010

L2. Industrial Perso nal	36,404,750	N/A	36,404,750	36,404,750
M. Other Personal	2,808,150	N/A	2,808,150	2,808,150
N. Intangible Perso nal Prop	0	N/A	0	0
O. Residential Inve	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	905,160,090		911,977,407	905,160,090
Less Total Deductions	54,209,176		55,615,278	54,209,176
Total Taxable Value	850,950,914		856,362,129	850,950,914 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

Т1	Т2	Т3	Т4
858,300,334	850,950,914	858,300,334	850,950,914

Loss To	50% of the loss
the Additional	to the Local Optional
\$10,000 Homestead	Percentage Homestead
Exemption	Exemption
7,349,420	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

Т7	Т8	Т9	T10
858,300,334	850,950,914	858,300,334	850,950,914

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

Findings and Order of the Crane Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by SP-Horsehead Crossing Solar, LLC (Tax ID 32062186138) (Application #1182)

ATTACHMENT G
Proposed Agreement Between
Crane ISD and
SP-Horsehead Crossing Solar, LLC



### GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 9, 2017

Bill Boyd Superintendent Crane Independent School District 511 West 8th Crane, Texas 79731

Re:

Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Crane Independent School District and SP-Horsehead Crossing Solar, LLC, Application 1182

Dear Superintendent Boyd:

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 Crane Independent School District and SP-Horsehead Crossing Solar, 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 Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-6053, or at 512-463-6053.

Sincerely,

Will Counihan

Director

Data Analysis & Transparency Division

cc: Sara Leon, Powell & Leon, LLP

Robert Reichenberger, SP-Horsehead Crossing Solar, LLC

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

by and between

### CRANE INDEPENDENT SCHOOL DISTRICT

and

### SP-HORSEHEAD CROSSING SOLAR, LLC

(Texas Taxpayer ID # 32062186138)

Comptroller Application #1182

Dated

October 12, 2017

Texas Economic Development Act Agreement Comptroller Form 50-826 (Jan 2016)

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

STATE OF TEXAS	J
	J
COUNTY OF CRANE	J

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the CRANE INDEPENDENT SCHOOL DISTRICT, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and SP-HORSEHEAD CROSSING SOLAR, LLC, Texas Taxpayer Identification Number 32062186138, hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

### RECITALS

**WHEREAS**, on March 21, 2017, the Superintendent of Schools of the Crane Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

**WHEREAS**, on March 21, 2017, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

**WHEREAS**, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

**WHEREAS**, the District and the Texas Comptroller's Office have determined that the Application is complete and April 26, 2017 is the Application Review Start Date as that term is defined by 34 TEXAS ADMINISTRATIVE CODE Section 9.1051;

**WHEREAS**, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Crane County Appraisal District established in Crane County, Texas (the "Crane County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section

313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on June 14, 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, acting through its Superintendent of Schools, by letter dated September 14, 2017, and as subsequently ratified by the Board of Trustees on October 12, 2017, extended the statutory deadline by which the District must consider the Application until December 15, 2017, and the Comptroller was provided notice of such extension as set out under 34 TEX. 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 October 12, 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 October 12, 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 October 12, 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 October 9, 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 October 12, 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 1 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.

- "<u>Act</u>" means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, including any statutory amendments that are applicable to Applicant.
- "<u>Agreement</u>" 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.
- "<u>Applicant</u>" means SP-Horsehead Crossing Solar, LLC (Texas Taxpayer ID #32062186138), 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.
- "<u>Applicant's Qualified Investment</u>" means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.
- "<u>Applicant's Qualified Property</u>" 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.
- "<u>Application</u>" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on March 28, 2017 and amended on April 24 and June 7, 2017. 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.
- "<u>Application Approval Date</u>" 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.
- "<u>Application Review Start Date</u>" 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.

"<u>Appraised Value</u>" shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

"Appraisal District" means the Crane County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Crane Independent School District.

"Commercial Operations" shall mean the date on which the Project described in the Application for Value Limitation Agreement becomes commercially operational and capable of being placed into service, such that it has been constructed and is capable of producing electricity and achieving a Qualifying Investment of no less than \$20 million dollars.

"<u>Comptroller</u>" 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 Crane County, Texas.

"<u>District</u>" or "<u>School District</u>" means the Crane 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.

"<u>Qualified Investment</u>" 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.

"<u>Tax Limitation Amount</u>" 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.

"<u>Tax Limitation Period</u>" 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.

"<u>Tax Year</u>" 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.

"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 Me's 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 if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for such Tax Year during the term of this Agreement, and (B) any and all payments due to the District under Articles IV, V, and VI of this Agreement.

"Original McO 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 April 26, 2017, 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 October 12, 2017.
- C. The Qualifying Time Period for this Agreement:
  - i. Starts on January 1, 2018; 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, 2020, the first complete Tax Year that begins after the end of the Qualifying Time Period; and
  - ii. Ends on December 31, 2029, 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, 2034.
- 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-Five Million Dollars (\$25,000,000.00)

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 Twenty Million Dollars (\$20,000,000.00) during the Qualifying Time Period;

- B. Have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. Pay an average weekly wage of at least \$1,124.25 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 OUALIFIED 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, subject to the provisions of Section 4.10, below.

Subject to the limitations contained in this Agreement (including Sections 4,10 and 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 Sections 4.10 and 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 Sections 4.10 and 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 4.10 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, by such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement, 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 4.8 not exceeding Fifteen Thousand Dollars (\$15,000) in any year of this Agreement.

### 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.

### Section 4.10. PAYMENT LIMITATION.

For each Tax Year of this Agreement, beginning with Tax Year 2020, the first year of the Tax Limitation Period as provided in Section 2.3.D.i, and ending with Tax Year 2032, which is the third Tax Year following the end of the Tax Limitation Period, the calculation of payments due under this Article IV shall be calculated. For purposes of such calculations, the Parties agree and stipulate that the sum of the Lost M&O Revenue payment owed pursuant to this Article IV added to the Supplemental Payment made pursuant to Article VI, below, shall not exceed Twenty Percent (20%) of the Applicant's Net Tax Benefit for that Tax Year or the Supplemental Payment amount due and owed, whichever shall be greater. For each Tax Year of this Agreement, amounts due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in Section 7.1, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the Payment limit set forth in Section 7.1. Any of the Payments which are not paid to the District after the third Tax Year following the end of the Tax Limitation Period because such payment would exceed the payment limitation under this Section will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

# 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 making the Supplemental Payments set forth in this Article VI. Supplemental Payments shall be due and owing each year beginning with the 2018 Tax Year and ending with the 2032 Tax Year. In any Tax Year in which the annual payment limitation under Section 7.1, below, applies (or, if such Tax Year is not within the Tax Limitation Period, the limitation under Section 7.1 would have applied as if such Tax Year had been within the Tax Limitations Period), the Supplemental Payment amount shall accrue and roll forward to the subsequent Tax Year until paid. Any amounts accrued and unpaid by virtue of the annual payment limitation under Section 7.1 that remain unpaid after the 2032 Tax Year shall be deemed to have been paid in full and no longer due and owing. 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.

### Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

- A. The total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the 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 2017-2018 Average Daily Attendance of 1,058 rounded to the whole number, or any greater amount that may be then be permitted by Applicable School Finance Law with respect to this Agreement.

# ARTICLE VII ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

### Section 7.1. ANNUAL LIMITATION.

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

### Section 7.2. OPTION TO TERMINATE AGREEMENT.

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

### Section 7.3. EFFECT OF OPTIONAL TERMINATION.

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

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

# ARTICLE VIII ADDITIONAL OBLIGATIONS OF APPLICANT

### Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.

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

### Section 8.2. REPORTS.

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

### Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS.

During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for

the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

## Section 8.4. DATA REQUESTS.

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

#### Section 8.5. SITE VISITS AND RECORD REVIEW.

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

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

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

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

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable

Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

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

### Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments

thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

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

## ARTICLE IX MATERIAL BREACH OR EARLY TERMINATION

## Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.

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

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

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

## Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

- i. Whether or not a breach of this Agreement has occurred;
- ii. Whether or not such breach is a Material Breach;
- iii. The date such breach occurred, if any;
- iv. Whether or not any such breach has been cured; and
- C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:
  - i. The amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
  - ii. The amount of any penalty or interest under Section 9.4.E that are owed to the District; and
  - iii. In the event of a finding of a Material Breach, whether to terminate this Agreement.
- D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

#### Section 9.3. DISPUTE RESOLUTION.

- A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have 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 Crane 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 the Applicant shall bear one-half of such mediator's 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 Crane 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 Twenty Million Dollars (\$20,000,000.00) 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: Crane ISD Powell & Leon. LLP
Attn: Superintendent Bill Boyd, Sara Hardner Leon

or his successor

Address: 511 W. 8<sup>th</sup> Street 115 Wild Basin Road #106 City/Zip: Crane, Texas 79731 West Lake Hills TX 78746

**Agreement for Limitation on Appraised Value**Between Crane ISD and SP-Horsehead Crossing Solar, LLC, #1182
October 12, 2017
Page 26 of 33

Texas Economic Development Act Agreement Comptroller Form 50-826 (January 2016) Phone: (432) 558-1022 (512) 494-1177 Fax: (432) 558-1025 (512) 494-1188

Email: bboyd@craneisd.com sleon@powell-leon.com

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

## To the Applicant

Name: SP-Horsehead Crossing Solar, LLC

Attn: Robert Reichenberger

Address: 777 S. High Street, Suite 100

City/Zip: Denver, CO 80209 Phone: (303) 866-1162 Fax: (303) 593-1182

Email: Robert@solar-prime. 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;
    - c. and 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 Crane 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).

[Signature Page to Follow]

*IN WITNESS WHEREOF*, this Agreement has been executed by the Parties in multiple originals on this 12<sup>th</sup> day of October, 2017.

## SP-HORSEHEAD CROSSING SOLAR, LLC CRANE INDEPENDENT SCHOOL DISTRICT

By:

Name: <u></u>

- A.

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Anthorized Reprisent

Bv:

Alan Swinford

President, Board of Trustees

ATTEST:

by: Maller Core

Secretary, Board of Trustees

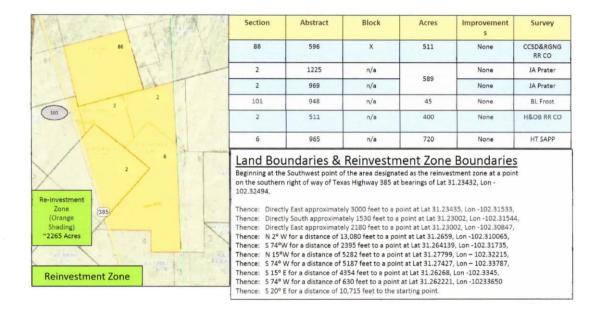
#### **EXHIBIT 1**

### DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

## **Reinvestment Zone**

#### Reinvestment Zone

2265 Acres, all located in Crane ISD, Crane County Texas



SP-Horsehead Crossing Solar LLC – Solar Project Value Limitation Application

# Location of the Qualified Investment & New Buildings and New Improvements (Solar Facility) shown below.



SP-Horsehead Crossing Solar LLC – Solar Project Value Limitation Application

#### EXHIBIT 2

#### DESCRIPTION AND LOCATION OF LAND

## Description of the Land

## All land located in Crane County, Texas

Section	Abstract	Block	Acres	Improvement 5	Survey
86	596	х	511	None	CCSD&RGNG RR CO
2	1225	n/a	589	None	JA Prater
2	969	n/a		None	JA Prater
101	948	n/a	45	None	BL Frost
2	511	n/a	400	None	H&OB RR CO
6	965	n/a	720	None	HT SAPP

## Land Boundaries & Reinvestment Zone Boundaries

Beginning at the Southwest point of the area designated as the reinvestment zone at a point on the southern right of way of Texas Highway 385 at bearings of Lat 31,23432, Lon - 102,32494.

Thence: Directly East approximately 3000 feet to a point at Lat 31.23435, Lon -102.31533, Thence: Directly South approximately 1530 feet to a point at Lat 31.23002, Lon -102.31544, Thence: Directly East approximately 1310 feet to a point at Lat 31.23002, Lon -102.30947, Thence: N 2° W for a distance of 13.030 feet to a point at Lat 31.25059, Lon -102.310365, Thence: S 74°W for a distance of 2395 feet to a point at Lat 31.254339, Lon -102.31735, Thence: N 15°W for a distance of 5282 feet to a point at Lat 31.27799, Lon -102.32215, Thence: S 74° W for a distance of 5187 feet to a point at Lat 31.27427, Lon -102.33737, Thence: S 75° E for a distance of 4354 feet to a point at Lat 31.262221, Lon -102.3345, Thence: S 74° W for a distance of 630 feet to a point at Lat 31.262221, Lon -10233650

Thence: \$ 20° E for a distance of 10,715 feet to the starting point.

SP-Horsehead Crossing Solar LLC - Solar Project Value Limitation Application

#### Ехнівіт 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**.

#### **Description of Qualified Investment**

The Qualified Investment is described below:

- Approximately 150MW solar power generating facility containing:
  - Photovoltaic (PV) Solar Panels and DC-to-AC Inverters
  - Tracker system infrastructure.
  - Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment
  - Inverter boxes on concrete or gravel pads
  - Fencing for safety and security, Video Security System
  - Telephone System and Data Systems for communication and remote monitoring of solar facility
  - Maintenance traile
  - Meteorological equipment to measure solar irradiance & weather conditions
  - New or improved access roads and service roads.

and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid. Project area & panel tracker layout illustration below.



SP-Horsehead Crossina Solar LLC – Solar Project Value Limitation Application

#### Ехнівіт 4

## DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Crane ISD 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**.

### **Description of Qualified Property**

The Qualified Property is described below:

- Approximately a 150MW solar power generating facility containing:
  - Photovoltaic (PV) Solar Panels and DC-to-AC Inverters
  - Tracker system infrastructure.
  - Collection Substation including High Voltage Transformer, Switch Gear & Transmission equipment
  - Inverter boxes on concrete or gravel pads
  - Fencing for safety and security, Video Security System
  - Telephone System and Data Systems for communication and remote monitoring of solar facility
  - Maintenance trailer
  - Meteorological equipment to measure solar irradiance & weather conditions
  - New or improved access roads and service roads.

and associated ancillary equipment necessary to safely operate, maintain, and transmit power to the ERCOT grid.

Project area & panel tracker layout illustration below.



SP-Horsehead Crossing Solar LLC - Solar Project Value Limitation Application

October 12, 2018

Findings and Order of the Crane Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by SP-Horsehead Crossing Solar, LLC (Tax ID 32062186138) (Application #1182)

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



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

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

April 28, 2017

Alan Swinford, President Board of Trustees Crane Independent School District 511 West 8th Street Crane, TX 79731

Dear Mr. Swinford:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed SP-Horsehead Crossing Solar LLC project #1182 on the number and size of school facilities in Crane Independent School District (CISD). Based on an examination of CISD enrollment and the number of potential new jobs, the TEA has determined that the SP-Horsehead Crossing Solar LLC project should not have a significant impact on the number or size of school facilities in CISD.

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

Sincerely,

Al McKenzie

Director of State Funding

X. est

AM/rk

Cc: Bill Boyd