

**FINDINGS OF THE BENAVIDES
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
TORRECILLAS WIND ENERGY LLC (#1244)**



December 18, 2018

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DECEMBER 18, 2018

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Duval County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On August 21, 2018, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on October 31, 2018 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc., is attached to these findings as **Attachment D**.

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

Torrecillas Wind Energy, LLC (Torrecillas) is requesting an appraised value limitation from Benavides Independent School District (ISD) for the Torrecillas Wind Project (the "Project"), a proposed wind powered electric generating facility in Duval County.

Property used for renewable energy electric generation is eligible for a limitation under §313.024(b)(5).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating six (6) new qualifying jobs. The average salary level of qualifying jobs will be at least \$66,304 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set

forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 7.

The Applicant does not intend to create any non-qualifying jobs.

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For all non-qualifying jobs, the Applicant should create the Applicant will be required to pay at least the county average wage of \$36,869 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

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.

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$213 million to the tax base that would be available for debt service purposes at the peak investment level for the 2019-20 school year, which should benefit the District, at least in the early years of the Agreement.

Board Finding Number 9.

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 suggest little underlying enrollment growth based on the impact of the project.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 11.

The Board of Trustees hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total industrial value for the District is \$28.1 million. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its demographic characteristics. Given that the value of industrial property is more than \$1 million but less than \$90 million, it is classified as a Category III district which can offer a minimum value limitation of \$20 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. **(Attachment I)**

Board Finding Number 14.

The Applicant (Taxpayer No. 32050003543) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32050003543), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement **(Attachment G)** contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 16.

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, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection

measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <https://pol.tasb.org/Home/Index/409>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

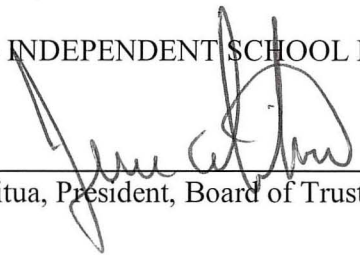
Board Finding Number 20.

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


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

Dated the 18th day of December 2018.

BENAVIDES INDEPENDENT SCHOOL DISTRICT

By: 
Jesse Abitua, President, Board of Trustees

ATTEST:

By: 
Ninfa Garcia, Secretary, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT

LAW 808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILIE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH
BENJAMIN CASTILLO

March 26, 2018

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Application to the Benavides Independent School District from Torrecillas
Wind Energy, LLC

(First Qualifying Year 2018; First Limitation Year 2019)

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Benavides Independent School District is notifying Torrecillas Wind Energy, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. Please prepare the economic impact report.

The Applicant submitted the Application to the school district on January 24, 2018. The Board voted to accept the application on January 24, 2018. The application has been determined complete as of March 26, 2018.

Please do not hesitate to call with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', with a stylized flourish at the end.

Kevin O'Hanlon
School District Consultant

Cc: Torrecillas Wind Energy, LLC
Webb CAD
Duval CAD

TORRECILLAS WIND ENERGY, LLC

**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO BENAVIDES CISD**

Torrecillas Wind Energy, LLC

Chapter 313 Application to Benavides ISD

Cummings Westlake, LLC

TAB 1

Pages 1 through 7 of application.



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

Economic Development
and Analysis
Form 50-296-A

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

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

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

January 24, 2018

Date Application Received by District

Adell

First Name

Superintendent

Title

Benavides ISD

School District Name

106 W School St.

Street Address

P.O. Drawer P

Mailing Address

Benavides

City

(361) 256-3003

Phone Number

Mobile Number (optional)

Cueva

Last Name

TX

State

(361) 256-3002

Fax Number

acueva@benavidesisd.net

Email Address

78341-0916

ZIP

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



Yes



No

SECTION 1: School District Information *(continued)*3. Authorized School District Consultant *(If Applicable)*

First Name	Casey
Partner	Last Name
Title	
Moak, Casey & Associates	
Firm Name	
512-485-7878	512-485-7888
Phone Number	Fax Number
	dcasey@moakcasey.com
Mobile Number <i>(optional)</i>	Email Address

4. On what date did the district determine this application complete? March 26, 2018
5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name	Tomasiak	
Manager, Property Tax	Last Name	
Title	NextEra Energy	
700 Universe Blvd. PSX/JB	Organization	
Street Address		
700 Universe Blvd. PSX/JB		
Mailing Address		
Juno Beach	FL	33408
City	State	ZIP
(561) 694-6473		
Phone Number	Fax Number	
	casey.tomasiak@nee.com	
Mobile Number <i>(optional)</i>	Business Email Address	

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ☐ Yes ☒ No
- 2a. If yes, please fill out contact information for that person.

First Name	Last Name	
Title	Organization	
Street Address		
Mailing Address		
City	State	ZIP
Phone Number	Fax Number	
Mobile Number <i>(optional)</i>	Business Email Address	

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

SECTION 2: Applicant Information (continued)**4. Authorized Company Consultant (If Applicable)**

Brandon Westlake
 First Name Last Name
 Consultant
 Title
 Cummings Westlake, LLC
 Firm Name
 (713) 266-4456 (713) 266-2333
 Phone Number Fax Number
 bwestlake@cwlp.net
 Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Torrecillas Wind Energy, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32050003543
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

1. Application approval by school board April 2018
2. Commencement of construction Q2 - 2018
3. Beginning of qualifying time period 2018
4. First year of limitation 2019
5. Begin hiring new employees Q4 - 2018
6. Commencement of commercial operations Q4 - 2018
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? Q4 - 2018

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Webb County (23%) & Duval County (77%)
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Webb CAD & Duval CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Webb, \$0.4147, 23% Duval, \$0.95, 77% City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Duval EMS District #2, \$0.10, 77% Water District: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Duval GCD, \$0.04, 77% Other (describe): Duval Vocational District, \$0.0105, 77%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☐ Yes ☒ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
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.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☒ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**).
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? January 2018

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☒ Third Quarter ☐ Fourth Quarter of 2017
(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? 6
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 708.50
 - b. 110% of the average weekly wage for manufacturing jobs in the county is N/A
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 660.74
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? 34,359.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 34,360.00
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).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

Torrecillas Wind Energy, LLC

Chapter 313 Application to Benavides ISD

Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$75,000 application fee paid to Benavides ISD.

THIS CHECK IS VOID WITHOUT A GREEN BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT AN ANGLE TO VIEW
reverse side. Hold at an angle to view.

54-1278
611

NextEra Energy Resources LLC
700 Universe Boulevard
Juno Beach, FL 33408

Check Date: 03/01/2018 Check No. 5000114577

BANK OF AMERICA, NA

SEVENTY-FIVE THOUSAND DOLLARS

\$75,000.00

Form 617-G

VOID after 180 days

NextEra Energy Resources

000004 AP 2000
BENAVIDES INDEPENDENT SCHOOL DISTRICT
106 WEST SCHOOL STREET
BENAVIDES TX 78341

PAY TO THE ORDER OF

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

5000114577 061112788 329 993 8904

793695

ENDORSE HERE

Texas Champion Bank
For Deposit Only
Benavides ISD
Acct. # 000501667

MONDAYS ON THE FACE
UNDER MARCH

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:
1. MICRO-PRINTING on the back and front. Under the
LOOK FOR - ORIGINAL DOCUMENT
2. Forwarded by a COLORED BACKGROUND
3. Forwarded by an ARTIFICIAL WATERMARK. Hold at an
angle to view.
4. ENDORSEMENT AND contains a color pattern background
5. Signature area on back. Contains different background than
front.

>114914723<
Texas Champion Bank #008
2018-03-08
0008711518
Batch 33192891

AM MICRO-PRINTING AND /
FOR - ORIGINAL DOCUMENT
FOR DEPOSIT ONLY

Torrecillas Wind Energy, LLC

Chapter 313 Application to Benavides ISD

Cummings Westlake, LLC

TAB 3

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

Torrecillas Wind Energy, LLC is a newly acquired entity and will be reported on the 2017 report for NextEra Energy Power Marketing, LLC as it was acquired after the 2016 report was filed. Attached is page 1 of 275 pages of the 2016 report.

Tcode 13250 Annual

Taxpayer number

Report year

Due date

32002608134

2016

05/16/2016

Taxpayer name NextEra Energy Power Marketing, LLC				Secretary of State file number or Comptroller file number 0801079569	
Mailing address 700 Universe Blvd., CTX-JB PO Box 14000					
City Juno Beach	State FL	Country	ZIP code plus 4 33408	Check box if the address has changed <input type="checkbox"/>	
Check box if this is a combined report <input type="checkbox"/>		Check box if Total Revenue is adjusted for Tiered Partnership Election, see instructions <input type="checkbox"/>		Check box to request a Certificate of Account Status <input type="checkbox"/>	
Is this entity a corporation, limited liability company, professional association, limited partnership or financial institution? <input type="checkbox"/> Yes <input type="checkbox"/> No					

*If not twelve months, see instructions for annualized revenue

Accounting year m m d d y y Accounting year m m d d y y SIC code NAICS code
 begin date** 010115 end date 123115 551112

REVENUE (Whole dollars only)

1. Gross receipts or sales	1. <input type="checkbox"/>	29713068404.00
2. Dividends	2. <input type="checkbox"/>	18687443.00
3. Interest	3. <input type="checkbox"/>	9099254.00
4. Rents (can be negative amount)	4. <input type="checkbox"/>	23489136.00
5. Royalties	5. <input type="checkbox"/>	0.00
6. Gains/losses (can be negative amount)	6. <input type="checkbox"/>	-167236826.00
7. Other income (can be negative amount)	7. <input type="checkbox"/>	477067373.00
8. Total gross revenue (Add items 1 thru 7)	8. <input type="checkbox"/>	30074174784.00
9. Exclusions from gross revenue (see instructions)	9. <input type="checkbox"/>	22715278.00
10. TOTAL REVENUE (Item 8 minus item 9 if less than zero, enter 0)	10. <input type="checkbox"/>	30051459506.00

COST OF GOODS SOLD (Whole dollars only)

11. Cost of goods sold	11. <input type="checkbox"/>	27218704255.00
12. Indirect or administrative overhead costs (Limited to 4%)	12. <input type="checkbox"/>	75290332.00
13. Other (see instructions)	13. <input type="checkbox"/>	0.00
14. TOTAL COST OF GOODS SOLD (Add items 11 thru 13)	14. <input type="checkbox"/>	27293994587.00

COMPENSATION (Whole dollars only)

15. Wages and cash compensation	15. <input type="checkbox"/>	1818145256.00
16. Employee benefits	16. <input type="checkbox"/>	149635293.00
17. Other (see instructions)	17. <input type="checkbox"/>	0.00
18. TOTAL COMPENSATION (Add items 15 thru 17)	18. <input type="checkbox"/>	1967780549.00

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>
PM Date	<input type="checkbox"/>



TAB 4

Detailed Description of the Project

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

Torrecillas Wind Energy, LLC (Torrecillas) is requesting an appraised value limitation from Benavides Independent School District (ISD) for the Torrecillas Wind Project (the “Project”), a proposed wind powered electric generating facility in Duval County. The proposed Benavides ISD Project (this application) will be constructed within a Reinvestment Zone that will be established by Duval County in January 2018. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of approximately 202 MW located in Benavides ISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer’s availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install 81 of the 2.50 MW GE turbines with all turbines located in Benavides ISD. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, buildings and offices, meteorological towers, collection system, communication system, electric substation, electric switchyard, electric transformers, transmission line and associated towers, and interconnection facilities.

Full construction of the Project is anticipated to begin in the 2nd Quarter of 2018 with completion by December 31, 2018.

**NOTE:* The map in TAB 11 shows the potential locations of 81 of the wind turbines, an O&M building and a collector substation within Benavides ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 5

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

NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S., with nearly 19,880 MW of generating capacity across 24 states and four Canadian provinces as of January 2017. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long-term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

NEER is keen to develop and build the proposed Torrecillas Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.

Due to the extremely competitive power market in SPP most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

TAB 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)

1) Webb County	- 23%
2) Webb CISD	- 23%
3) Duval County	- 77%
4) Duval County Vocational School	- 77%
5) Duval County GCD	- 77%
6) Duval Emergency District #2	- 77%
7) Benavides ISD	- 64%
8) Freer ISD	- 13%

TAB 7

Description of Qualified Investment

Torrecillas Wind Energy, LLC plans to construct a 202 MW wind farm in Duval County.

This application covers all qualified property within Benavides ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Two hundred and two megawatts (202 MW) will be located in Benavides ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 81 of the 2.50 MW turbines manufactured by GE.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of 81 of the wind turbines, an O&M building and a collector substation within Benavides ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 8

Description of Qualified Property

Torrecillas Wind Energy, LLC plans to construct a 202 MW wind farm in Duval County.

This application covers all qualified property within Benavides ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Two hundred and two megawatts (202 MW) will be located in Benavides ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 81 of the 2.50 MW turbines manufactured by GE.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of 81 of the wind turbines, an O&M building and a collector substation within Benavides ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

Torrecillas Wind Energy, LLC

Chapter 313 Application to Benavides ISD

Cummings Westlake, LLC

TAB 9

Description of Land

Not Applicable

Torrecillas Wind Energy, LLC

Chapter 313 Application to Benavides ISD

Cummings Westlake, LLC

TAB 10

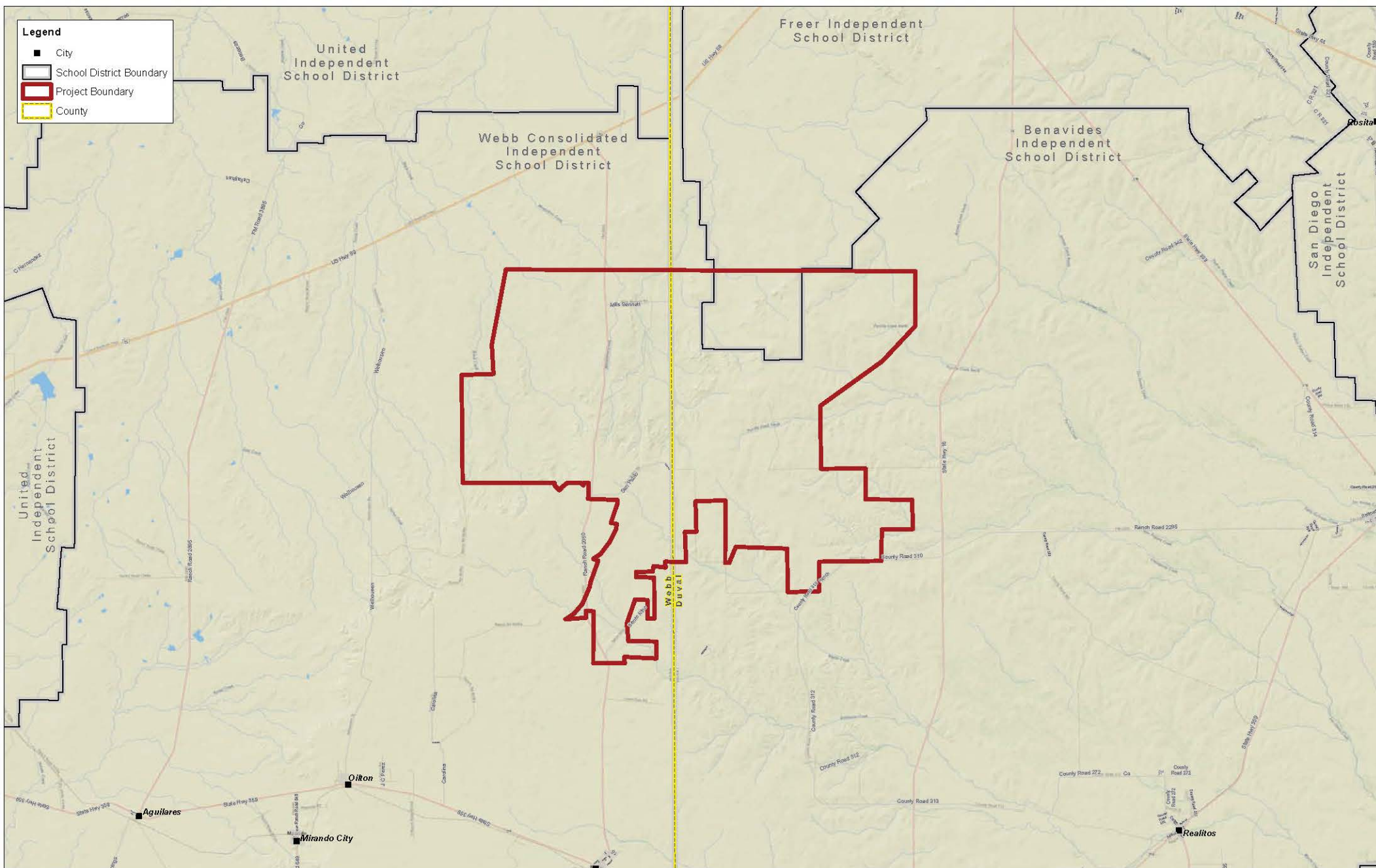
Description of all property not eligible to become qualified property (if applicable)

Not Applicable

TAB 11

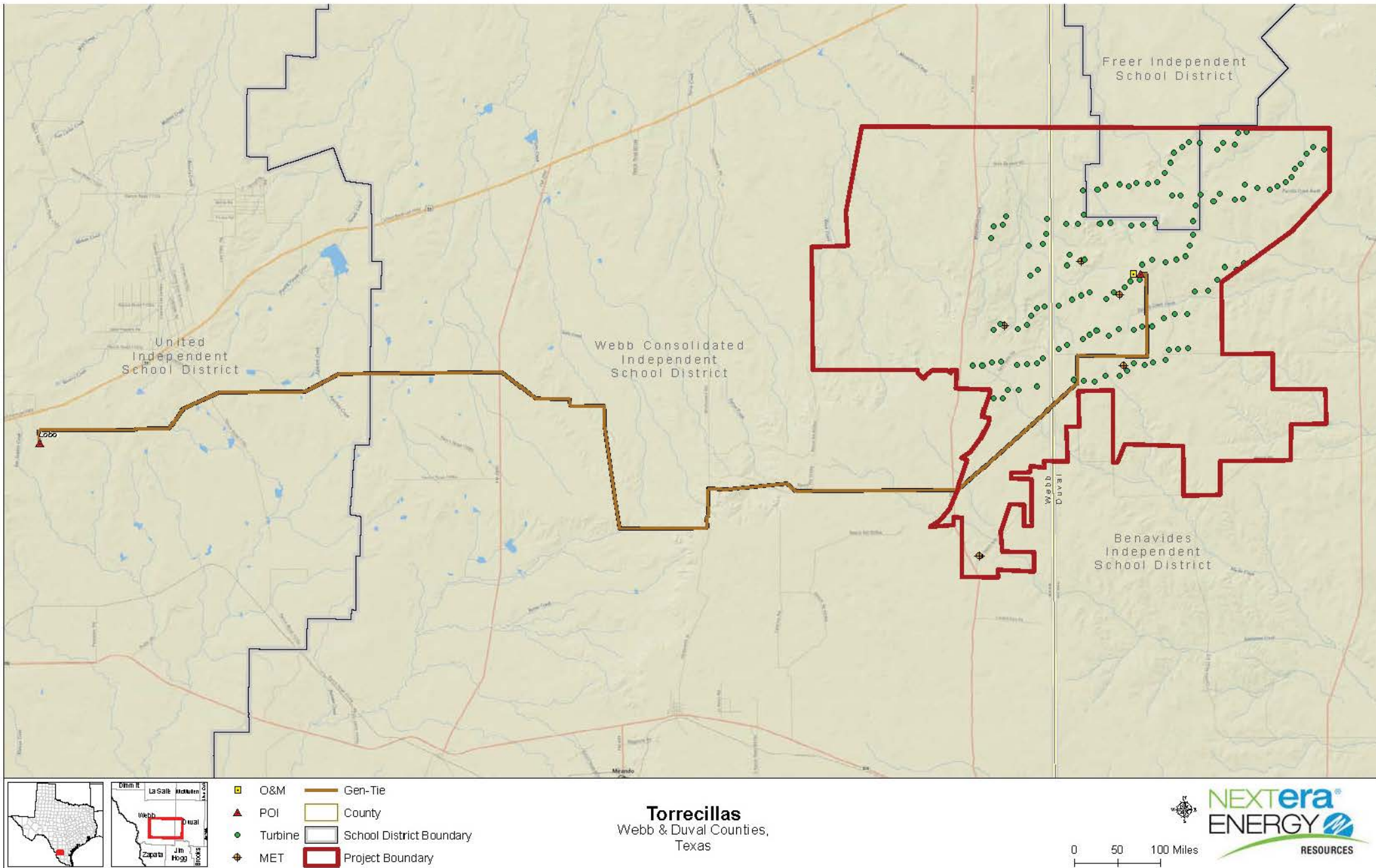
Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size



11a) Vicinity Map

11b&c) Map of Qualified Investment and Qualified Property



TAB 12

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

See Attached

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

January 22, 2018

Mrs. Adell Cueva
Benavides Independent School District
106 W School St.
Benavides, TX 78341

Re: Chapter 313 Job Waiver Request

Dear Mrs. Cueva,

Torrecillas Wind Energy, LLC (Torrecillas) requests that the Benavides Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Torrecillas requests that the Benavides Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Torrecillas has committed to create 6 total jobs for the portion of the project which will be in Benavides ISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project and require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The number of jobs specified in this application is in line with the industry standards for a wind farm of this scope and size. The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. This is evidenced by previously filed limitation agreement applications by wind developers who also requested a waiver of the job requirements.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brandon Westlake', with a long horizontal line extending to the right.

Brandon Westlake
Consultant

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Duval County average weekly wage for all jobs (all industries)
- Duval County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

TORRECILLAS WIND ENERGY, LLC
TAB 13 TO CHAPTER 313 APPLICATION

DUVAL COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	\$ 718	\$ 37,336
SECOND	2017	\$ 683	\$ 35,516
THIRD	2017	\$ 736	\$ 38,272
FOURTH	2016	\$ 697	\$ 36,244
AVERAGE		\$ 708.50	\$ 36,842

DUVAL COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

No Data Available

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
South Texas	2016	\$ 601	\$ 31,235
	X	110%	110%
		\$ 660.74	\$ 34,359

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Duval County	Total All	00	0	10	Total, all industries	\$718
2017	2nd Qtr	Duval County	Total All	00	0	10	Total, all industries	\$683
2016	4th Qtr	Duval County	Total All	00	0	10	Total, all industries	\$697
2017	3rd Qtr	Duval County	Total All	00	0	10	Total, all industries	\$736

2016 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$25.41	\$52,850
1. Panhandle Regional Planning Commission	\$22.52	\$46,834
2. South Plains Association of Governments	\$18.27	\$38,009
3. NORTEX Regional Planning Commission	\$24.14	\$50,203
4. North Central Texas Council of Governments	\$26.06	\$54,215
5. Ark-Tex Council of Governments	\$19.07	\$39,663
6. East Texas Council of Governments	\$20.52	\$42,677
7. West Central Texas Council of Governments	\$20.31	\$42,242
8. Rio Grande Council of Governments	\$19.32	\$40,188
9. Permian Basin Regional Planning Commission	\$26.00	\$54,079
10. Concho Valley Council of Governments	\$18.78	\$39,066
11. Heart of Texas Council of Governments	\$21.14	\$43,962
12. Capital Area Council of Governments	\$30.06	\$62,522
13. Brazos Valley Council of Governments	\$17.66	\$36,729
14. Deep East Texas Council of Governments	\$18.06	\$37,566
15. South East Texas Regional Planning Commission	\$33.42	\$69,508
16. Houston-Galveston Area Council	\$27.52	\$57,246
17. Golden Crescent Regional Planning Commission	\$26.38	\$54,879
18. Alamo Area Council of Governments	\$21.67	\$45,072
19. South Texas Development Council	\$15.02	\$31,235
20. Coastal Bend Council of Governments	\$27.85	\$57,921
21. Lower Rio Grande Valley Development Council	\$17.55	\$36,503
22. Texoma Council of Governments	\$20.98	\$43,648
23. Central Texas Council of Governments	\$18.65	\$38,783
24. Middle Rio Grande Development Council	\$23.05	\$47,950

Source: Texas Occupational Employment and Wages

Data published: July 2017

Data published annually, next update will be July 31, 2018

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

TAB 14

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

See attached Schedules A1, A2, B, C and D

Date1/16/2018

Applicant NameTorrecillas Wind Energy, LLC

ISD NameBenavides ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(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) YYYY	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 <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018	Not eligible to become Qualified Property			[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 approval of application				0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				222,050,000	700,000	0	0	222,750,000
Complete tax years of qualifying time period	QTP1	2019-2020	2019	0		0	0	0
	QTP2	2020-2021	2020	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				222,050,000	700,000	0	0	222,750,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				222,750,000				

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

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

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

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property, is used to maintain, refurbish, renovate, modify or upgrade existing property, or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

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

PROPERTY INVESTMENT AMOUNTS								
(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) YYYY	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 investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				222,050,000	700,000	0	0	222,750,000
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2018-2019	2018	0	0	0	0	0
Value limitation period***	1	2019-2020	2019	0	0	0	0	0
	2	2020-2021	2020	0	0	0	0	0
	3	2021-2022	2021	0	0	0	0	0
	4	2022-2023	2022	0	0	0	0	0
	5	2023-2024	2023	0	0	0	0	0
	6	2024-2025	2024	0	0	0	0	0
	7	2025-2026	2025	0	0	0	0	0
	8	2026-2027	2026	0	0	0	0	0
	9	2027-2028	2027	0	0	0	0	0
	10	2028-2029	2028	0	0	0	0	0
Total Investment made through limitation				222,050,000	700,000	0	0	222,750,000
Continue to maintain viable presence	11	2029-2030	2029			0		0
	12	2030-2031	2030			0		0
	13	2031-2032	2031			0		0
	14	2032-2033	2032			0		0
	15	2033-2034	2033			0		0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034			0		0
	17	2035-2036	2035			0		0
	18	2036-2037	2036			0		0
	19	2037-2038	2037			0		0
	20	2038-2039	2038			0		0
	21	2039-2040	2039			0		0
	22	2040-2041	2040			0		0
	23	2041-2042	2041			0		0
	24	2042-2043	2042			0		0
	25	2043-2044	2043			0		0

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

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

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

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

Date

1/16/2018

Applicant Name

Torrecillas Wind Energy, LLC

Form 50-296A

ISD Name

Benavides ISD

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	0	0	0	0	0	0
Value Limitation Period	1	2019-2020	2019	0	686,000	213,168,000	213,168,000	213,168,000	20,000,000
	2	2020-2021	2020	0	668,850	196,114,560	196,114,560	196,114,560	20,000,000
	3	2021-2022	2021	0	652,129	180,425,395	180,425,395	180,425,395	20,000,000
	4	2022-2023	2022	0	635,826	165,991,364	165,991,364	165,991,364	20,000,000
	5	2023-2024	2023	0	619,930	152,712,054	152,712,054	152,712,054	20,000,000
	6	2024-2025	2024	0	604,432	140,495,090	140,495,090	140,495,090	20,000,000
	7	2025-2026	2025	0	589,321	129,255,483	129,255,483	129,255,483	20,000,000
	8	2026-2027	2026	0	574,588	118,915,044	118,915,044	118,915,044	20,000,000
	9	2027-2028	2027	0	560,223	109,401,841	109,401,841	109,401,841	20,000,000
	10	2028-2029	2028	0	546,217	100,649,693	100,649,693	100,649,693	20,000,000
Continue to maintain viable presence	11	2029-2030	2029	0	532,562	92,597,718	92,597,718	92,597,718	92,597,718
	12	2030-2031	2030	0	519,248	85,189,901	85,189,901	85,189,901	85,189,901
	13	2031-2032	2031	0	506,267	78,374,709	78,374,709	78,374,709	78,374,709
	14	2032-2033	2032	0	493,610	72,104,732	72,104,732	72,104,732	72,104,732
	15	2033-2034	2033	0	481,270	66,336,353	66,336,353	66,336,353	66,336,353
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	0	469,238	61,029,445	61,029,445	61,029,445	61,029,445
	17	2035-2036	2035	0	457,507	56,147,089	56,147,089	56,147,089	56,147,089
	18	2036-2037	2036	0	446,069	51,655,322	51,655,322	51,655,322	51,655,322
	19	2037-2038	2037	0	434,917	47,522,896	47,522,896	47,522,896	47,522,896
	20	2038-2039	2038	0	424,044	43,721,065	43,721,065	43,721,065	43,721,065
	21	2039-2040	2039	0	413,443	40,223,380	40,223,380	40,223,380	40,223,380
	22	2040-2041	2040	0	403,107	37,005,509	37,005,509	37,005,509	37,005,509
	23	2041-2042	2041	0	393,029	34,045,068	34,045,068	34,045,068	34,045,068
	24	2042-2043	2042	0	383,203	31,321,463	31,321,463	31,321,463	31,321,463
	25	2043-2044	2043	0	373,623	28,815,746	28,815,746	28,815,746	28,815,746

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 1/16/2018
 Applicant Name Torrecillas Wind Energy, LLC
 ISD Name Benavides ISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				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 <i>Insert as many rows as necessary</i>	0	2018-2019	2018	300 FTE	52,500	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019	N/A	N/A	0	6	34,360
	2	2020-2021	2020	N/A	N/A	0	6	34,360
	3	2021-2022	2021	N/A	N/A	0	6	34,360
	4	2022-2023	2022	N/A	N/A	0	6	34,360
	5	2023-2024	2023	N/A	N/A	0	6	34,360
	6	2024-2025	2024	N/A	N/A	0	6	34,360
	7	2025-2026	2025	N/A	N/A	0	6	34,360
	8	2026-2027	2026	N/A	N/A	0	6	34,360
	9	2027-2028	2027	N/A	N/A	0	6	34,360
	10	2028-2029	2028	N/A	N/A	0	6	34,360
Years Following Value Limitation Period	11 through 25	2029-2044	2029-2043	N/A	N/A	0	6	34,360

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
 Only include jobs on the project site in this school district.

- C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ☒ Yes ☐ No
 If yes, answer the following two questions:
- C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? ☒ Yes ☐ No
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

Date 1/16/2018
 Applicant Name Torrecillas Wind Energy, LLC
 ISD Name Benavides ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Duval County	2019	10 Years	Avg. \$860,000	80%-5/60%-5	Avg. \$240,000
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				Avg. \$860,000		Avg. \$240,000

Additional information on incentives for this project:

No Agreement Terms have been discussed

Torrecillas Wind Energy, LLC

Chapter 313 Application to Benavides ISD

Cummings Westlake, LLC

TAB 15

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

None

TAB 16

Description of Reinvestment Zone 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 established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

Will be submitted once Duval County establishes Reinvestment Zone

TAB 17

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

See Attached

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

Print Name (Authorized School District Representative)

Adell Cueva

Title

Superintendent





sign here

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

Casey Tomasiak

Manager, Property Tax

print here

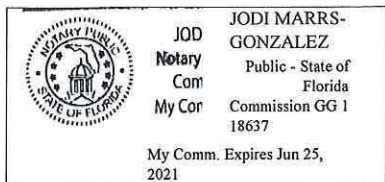
Print Name (Authorized Company Representative (Applicant))

Title

Signature (Authorized Company Representative (Applicant))
sign here

1/17/2018

Date



GIVEN under my hand and seal of office this, the

(Notary Seal)

17th day of January, 2018

Jodi Marrs-Gonzalez
Notary Public in and for the State of Texas Florida

My Commission expires: 6/25/2021

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.

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILIE: (512) 494-9919

July 30, 2018

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: Amended Application to Benavides Independent School District from Torrecillas
Wind Energy, LLC

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you the Amended Application to the Benavides Independent School District
from Torrecillas Wind Energy, LLC.

1. Other Names the company goes by: None
2. Ercot GINR Number: 14INR0045

A copy of the amended application will be submitted to the Duval County Appraisal District.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Duval County Appraisal District

Application for Appraised Value Limitation on Qualified Property

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Brandon	Westlake
First Name	Last Name
Consultant	
Title	
Cummings Westlake, LLC	
Firm Name	
(713) 266-4456	(713) 266-2333
Phone Number	Fax Number
bwestlake@cwlp.net	
Business Email Address	

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Torrecillas Wind Energy, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32050003543
3. List the NAICS code 221115
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
- *Applicant will submit an application to the Webb CISD for the portion of the project in that district.

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

Texas Comptroller of Public Accounts

Joint Data Analysis and
Transparency
Form 50-296-A

SECTION 9: Projected Timeline

1. Application approval by school board August 2018
2. Commencement of construction 3Q2018
3. Beginning of qualifying time period 3Q2018
4. First year of limitation 2019
5. Begin hiring new employees Q42018
6. Commencement of commercial operations Q42018
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? Q4 2018

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Duval
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Duval
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Duval, .95, 100% N/A
(Name, tax rate and percent of project)
 Hospital District: Duval EMS District #2, .10, 100% N/A
(Name, tax rate and percent of project)
 Other (describe): Duval GCD, .04, 100% Duval Vocational District. 0.0105, 100%
(Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☐ Yes ☒ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
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.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

Application for Appraised Value Limitation on Qualified Property

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☒ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? August 2018

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

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.

Texas Comptroller of Public Accounts

Joint Data Analysis and
Transparency
Form 50-296-A

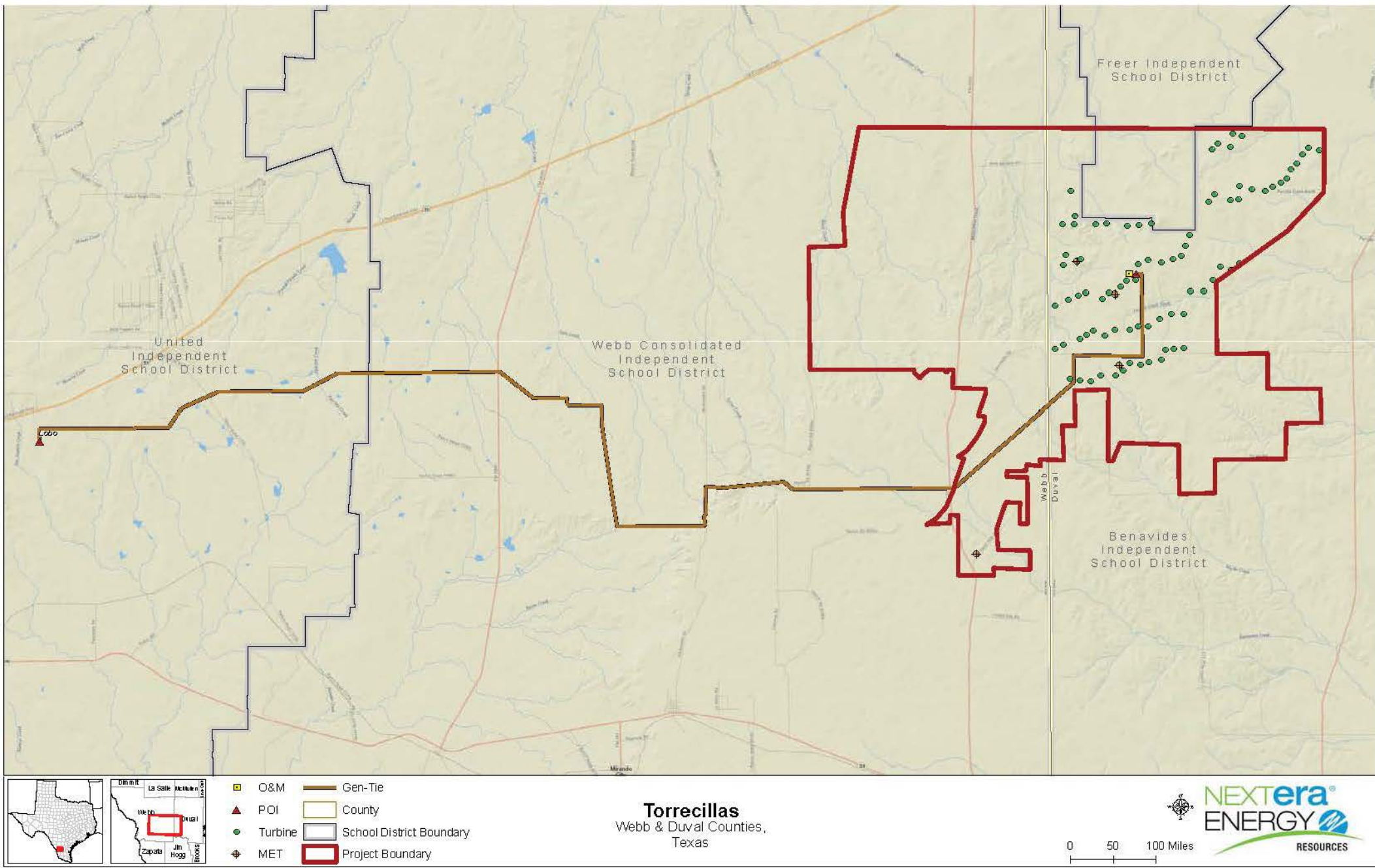
SECTION 14: Wage and Employment Information

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 2018
(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? 6
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 708.50
 - b. 110% of the average weekly wage for manufacturing jobs in the county is N/A
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,225.40
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? 63,720.80
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 63,721.00
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).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

11b&c) Map of Qualified Investment and Qualified Property



TORRECILLAS WIND ENERGY, LLC
TAB 13 TO CHAPTER 313 APPLICATION

DUVAL COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	\$ 718	\$ 37,336
SECOND	2017	\$ 683	\$ 35,516
THIRD	2017	\$ 736	\$ 38,272
FOURTH	2016	\$ 697	\$ 36,244
AVERAGE		\$ 708.50	\$ 36,842

DUVAL COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

No Data Available

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Coastal Bend	2016	\$ 1,114	\$57,928
	X	110%	110%
		\$ 1,225.40	\$63,720.80

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

Back

D.PERIODYEAR

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Duval County	Total All	00	0	10	Total, all industries	\$718
2017	2nd Qtr	Duval County	Total All	00	0	10	Total, all industries	\$683
2017	3rd Qtr	Duval County	Total All	00	0	10	Total, all industries	\$736
2016	1st Qtr	Duval County	Total All	00	0	10	Total, all industries	\$725
2016	2nd Qtr	Duval County	Total All	00	0	10	Total, all industries	\$716
2016	3rd Qtr	Duval County	Total All	00	0	10	Total, all industries	\$740
2016	4th Qtr	Duval County	Total All	00	0	10	Total, all industries	\$697

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				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 <i>Insert as many rows as necessary</i>	0	2018-2019	2018	300 FTE	52,500	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019	N/A	N/A	0	6	63,721
	2	2020-2021	2020	N/A	N/A	0	6	63,721
	3	2021-2022	2021	N/A	N/A	0	6	63,721
	4	2022-2023	2022	N/A	N/A	0	6	63,721
	5	2023-2024	2023	N/A	N/A	0	6	63,721
	6	2024-2025	2024	N/A	N/A	0	6	63,721
	7	2025-2026	2025	N/A	N/A	0	6	63,721
	8	2026-2027	2026	N/A	N/A	0	6	63,721
	9	2027-2028	2027	N/A	N/A	0	6	63,721
	10	2028-2029	2028	N/A	N/A	0	6	63,721
Years Following Value Limitation Period	11 through 25	2029-2044	2029-2043	N/A	N/A	0	6	63,721

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

C1.

Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25

qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)

If yes, answer the following two questions:

C1a.

Will the applicant request a job waiver, as provided under 313.025(f-1)?

C1b.

Will the applicant avail itself of the provision in 313.021(3)(F)?

☒

Yes

☐

No

☒

Yes

☐

No

☐

Yes

☒

No

TAB 16

Description of Reinvestment Zone 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 established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

Will be submitted once Duval County establishes Reinvestment Zone



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

Adell Cueva

Print Name (Authorized School District Representative)

sign
here

Signature (Authorized School District Representative)

Superintendent

Title

Date

7/30/18

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

Casey Tomasiak

Print Name (Authorized Company Representative (Applicant))

sign
here

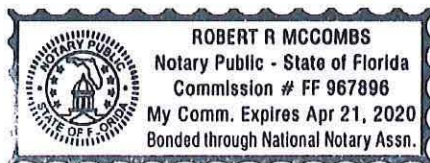
Signature (Authorized Company Representative (Applicant))

Manager, Property Tax

Title

Date

6/26/2018



(Notary Seal)

GIVEN under my hand and seal of office this, the

26th day of JUNE, 2018

Notary Public in and for the State of Texas FLORIDA.

My Commission expires:

4/21/20

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.

O'HANLON, DEMERATH & CASTILLO

1244-benavides-torrecillas-amendment002

August 14, 2018

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILIE: (512) 494-9919

August 14, 2018

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: Amended Application to Benavides Independent School District from Torrecillas
Wind Energy, LLC

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you the Amended Application to the Benavides Independent School District
from Torrecillas Wind Energy, LLC.

1. Updated Page 7 Section 14 of Application
2. Updated wages
3. Updated Reinvestment Zone Map
4. Updated Schedule C of Excel
5. New Signature Page

A copy of the amended application will be submitted to the Duval County Appraisal District.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Duval County Appraisal District

Texas Comptroller of Public Accounts

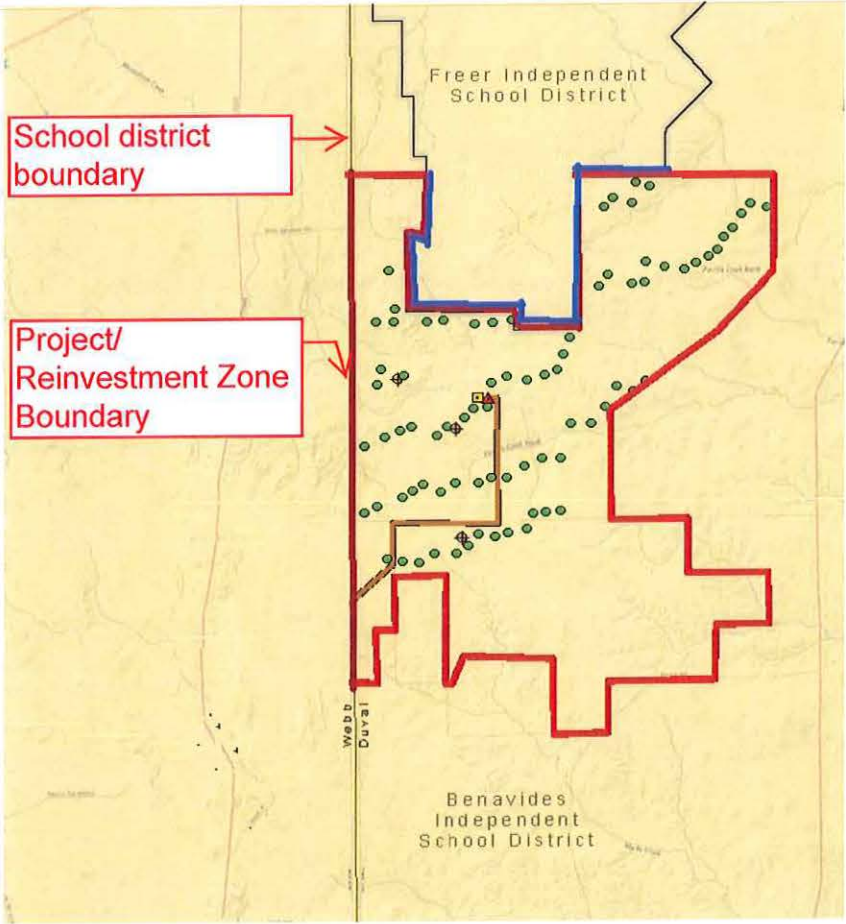
Data Analysis and
Transparency
Form 50-296-A

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 2018
(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? 6
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 709.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,275.00
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? 66,304.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 66,304.00
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).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.



**TORRECILLAS WIND ENERGY, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**DUVAL COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	\$ 718	\$ 37,336
SECOND	2017	\$ 683	\$ 35,516
THIRD	2017	\$ 735	\$ 38,220
FOURTH	2017	\$ 700	\$ 36,400
AVERAGE		\$ 709	\$ 36,868

**DUVAL COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

No Data Available

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Coastal Bend	2016	\$ 1,159	\$60,276
	X	110%	110%
		\$ 1,275	\$66,304

* SEE ATTACHED TWC DOCUMENTATION

8/3/2018

Texas LMCI TRACER, Data Link

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Duval County	Total All	00	0	10	Total, all industries	\$718
2017	2nd Qtr	Duval County	Total All	00	0	10	Total, all industries	\$683
2017	3rd Qtr	Duval County	Total All	00	0	10	Total, all industries	\$735
2017	4th Qtr	Duval County	Total All	00	0	10	Total, all industries	\$700

2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
1. Panhandle Regional Planning Commission	\$23.65	\$49,190
2. South Plains Association of Governments	\$19.36	\$40,262
3. NORTEX Regional Planning Commission	\$23.46	\$48,789
4. North Central Texas Council of Governments	\$26.80	\$55,747
5. Ark-Tex Council of Governments	\$18.59	\$38,663
6. East Texas Council of Governments	\$21.07	\$43,827
7. West Central Texas Council of Governments	\$21.24	\$44,178
8. Rio Grande Council of Governments	\$18.44	\$38,351
9. Permian Basin Regional Planning Commission	\$26.24	\$54,576
10. Concho Valley Council of Governments	\$19.67	\$40,924
11. Heart of Texas Council of Governments	\$21.53	\$44,781
12. Capital Area Council of Governments	\$31.49	\$65,497
13. Brazos Valley Council of Governments	\$17.76	\$39,931
14. Deep East Texas Council of Governments	\$17.99	\$37,428
15. South East Texas Regional Planning Commission	\$34.98	\$72,755
16. Houston-Galveston Area Council	\$28.94	\$60,202
17. Golden Crescent Regional Planning Commission	\$26.94	\$56,042
18. Alamo Area Council of Governments	\$22.05	\$48,869
19. South Texas Development Council	\$15.07	\$31,343
20. Coastal Bend Council of Governments	\$28.98	\$60,276
21. Lower Rio Grande Valley Development Council	\$17.86	\$37,152
22. Texoma Council of Governments	\$21.18	\$44,060
23. Central Texas Council of Governments	\$19.30	\$40,146
24. Middle Rio Grande Development Council	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

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.

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				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 <i>Insert as many rows as necessary</i>	0	2018-2019	2018	300 FTE	52,500	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019	N/A	N/A	0	6	66,304
	2	2020-2021	2020	N/A	N/A	0	6	66,304
	3	2021-2022	2021	N/A	N/A	0	6	66,304
	4	2022-2023	2022	N/A	N/A	0	6	66,304
	5	2023-2024	2023	N/A	N/A	0	6	66,304
	6	2024-2025	2024	N/A	N/A	0	6	66,304
	7	2025-2026	2025	N/A	N/A	0	6	66,304
	8	2026-2027	2026	N/A	N/A	0	6	66,304
	9	2027-2028	2027	N/A	N/A	0	6	66,304
	10	2028-2029	2028	N/A	N/A	0	6	66,304
Years Following Value Limitation Period	11 through 25	2029-2044	2029-2043	N/A	N/A	0	6	66,304

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

- C1.

Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute?
qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)

(25

X

Yes

No
- If yes, answer the following two questions:
- C1a.

Will the applicant request a job waiver, as provided under 313.025(f-1)?

X

Yes

No
- C1b.

Will the applicant avail itself of the provision in 313.021(3)(F)?

Yes

X

No



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

Adell Cueva

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

8/13/18

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

Casey Tomasiak

Print Name (Authorized Company Representative (Applicant))

Manager, Property Tax

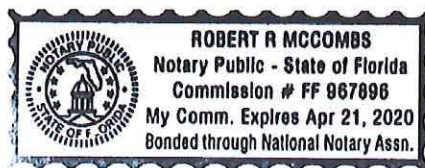
Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

August 8, 2018



(Notary Seal)

GIVEN under my hand and seal of office this, the

8th day of AUGUST, 2018

Notary Public in and for the State of ~~Texas~~ FLORIDA

My Commission expires:

4/21/2020

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.

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 12/11/2018 11:19:45

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

TORRECILLAS WIND ENERGY, LLC	
Texas Taxpayer Number	32050003543
Mailing Address	700 UNIVERSE BLVD C/O CTX/JB JUNO BEACH, FL 33408-2657
? Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	01/23/2013
Texas SOS File Number	0801722060
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

October 31, 2018

Adell Cueva
Superintendent
Benavides Independent School District
P.O. Box Drawer P
Benavides, Texas 78341-0916

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Benavides Independent School
District and Torrecillas Wind Energy, LLC, Application 1244

Dear Superintendent Cueva:

On August 21, 2018, the Comptroller issued written notice that Torrecillas Wind Energy, LLC (applicant) submitted a completed application (Application 1244) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on January 24, 2018, to the Benavides 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.

¹ 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 1244.

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, 2018.

Note that any building or improvement existing as of the application review start date of August 21, 2018, 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 Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

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

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

Applicant	Torrecillas Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Electric power generation, wind
School District	Benavides ISD
2017-2018 Average Daily Attendance	297
County	Duval
Proposed Total Investment in District	\$222,750,000
Proposed Qualified Investment	\$222,750,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	6*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,275
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,275
Minimum annual wage committed to by applicant for qualified jobs	\$66,304
Minimum weekly wage required for non-qualifying jobs	\$709
Minimum annual wage required for non-qualifying jobs	\$36,869
Investment per Qualifying Job	\$37,125,000
Estimated M&O levy without any limit (15 years)	\$19,778,012
Estimated M&O levy with Limitation (15 years)	\$6,183,875
Estimated gross M&O tax benefit (15 years)	\$13,594,137

* 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 Torrecillas Wind Energy, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	300	527	826.98	\$15,750,000	\$52,250,000	\$68,000,000
2019	6	87	93	\$397,824	\$10,602,176	\$11,000,000
2020	6	62	68	\$397,824	\$8,252,176	\$8,650,000
2021	6	33	39	\$397,824	\$5,862,176	\$6,260,000
2022	6	18	24	\$397,824	\$4,422,176	\$4,820,000
2023	6	12	18	\$397,824	\$3,672,176	\$4,070,000
2024	6	12	18	\$397,824	\$3,412,176	\$3,810,000
2025	6	15	21	\$397,824	\$3,562,176	\$3,960,000
2026	6	19	25	\$397,824	\$3,902,176	\$4,300,000
2027	6	23	29	\$397,824	\$4,352,176	\$4,750,000
2028	6	27	33	\$397,824	\$4,832,176	\$5,230,000
2029	6	28	34	\$397,824	\$5,112,176	\$5,510,000
2030	6	30	36	\$397,824	\$5,482,176	\$5,880,000
2031	6	32	38	\$397,824	\$5,832,176	\$6,230,000
2032	6	33	39	\$397,824	\$6,172,176	\$6,570,000
2033	6	33	39	\$397,824	\$6,472,176	\$6,870,000

Source: CPA REMI, Torrecillas Wind Energy, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Benavides ISD I&S Tax Levy	Benavides ISD M&O Tax Levy	Benavides ISD M&O and I&S Tax Levies	Duval County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2680	1.0400		1.1000	
2019	\$213,168,000	\$213,168,000		\$571,205	\$2,216,947	\$2,788,152	\$2,344,848	\$5,133,000
2020	\$196,114,560	\$196,114,560		\$525,509	\$2,039,591	\$2,565,100	\$2,157,260	\$4,722,360
2021	\$180,425,395	\$180,425,395		\$483,468	\$1,876,424	\$2,359,892	\$1,984,679	\$4,344,571
2022	\$165,991,364	\$165,991,364		\$444,790	\$1,726,310	\$2,171,101	\$1,825,905	\$3,997,006
2023	\$152,712,054	\$152,712,054		\$409,207	\$1,588,205	\$1,997,413	\$1,679,833	\$3,677,245
2024	\$140,495,090	\$140,495,090		\$376,471	\$1,461,149	\$1,837,620	\$1,545,446	\$3,383,066
2025	\$129,255,483	\$129,255,483		\$346,353	\$1,344,257	\$1,690,610	\$1,421,810	\$3,112,420
2026	\$118,915,044	\$118,915,044		\$318,645	\$1,236,716	\$1,555,361	\$1,308,065	\$2,863,427
2027	\$109,401,841	\$109,401,841		\$293,153	\$1,137,779	\$1,430,932	\$1,203,420	\$2,634,353
2028	\$100,649,693	\$100,649,693		\$269,701	\$1,046,757	\$1,316,458	\$1,107,147	\$2,423,604
2029	\$92,597,718	\$92,597,718		\$248,125	\$963,016	\$1,211,141	\$1,018,575	\$2,229,716
2030	\$85,189,901	\$85,189,901		\$228,275	\$885,975	\$1,114,250	\$937,089	\$2,051,339
2031	\$78,374,709	\$78,374,709		\$210,013	\$815,097	\$1,025,110	\$862,122	\$1,887,232
2032	\$72,104,732	\$72,104,732		\$193,212	\$749,889	\$943,101	\$793,152	\$1,736,253
2033	\$66,336,353	\$66,336,353		\$177,755	\$689,898	\$867,653	\$729,700	\$1,597,353
			Total	\$5,095,881	\$19,778,012	\$24,873,893	\$20,919,051	\$45,792,944

Source: CPA, Torrecillas Wind Energy, LLC

*Tax Rate per \$100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Benavides ISD I&S Tax Levy	Benavides ISD M&O Tax Levy	Benavides ISD M&O and I&S Tax Levies	Duval County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2680	1.0400		1.1000	
2019	\$213,168,000	\$20,000,000		\$571,205	\$208,000	\$779,205	\$468,970	\$1,248,175
2020	\$196,114,560	\$20,000,000		\$525,509	\$208,000	\$733,509	\$431,452	\$1,164,961
2021	\$180,425,395	\$20,000,000		\$483,468	\$208,000	\$691,468	\$396,936	\$1,088,404
2022	\$165,991,364	\$20,000,000		\$444,790	\$208,000	\$652,790	\$365,181	\$1,017,971
2023	\$152,712,054	\$20,000,000		\$409,207	\$208,000	\$617,207	\$335,967	\$953,174
2024	\$140,495,090	\$20,000,000		\$376,471	\$208,000	\$584,471	\$618,178	\$1,202,649
2025	\$129,255,483	\$20,000,000		\$346,353	\$208,000	\$554,353	\$568,724	\$1,123,077
2026	\$118,915,044	\$20,000,000		\$318,645	\$208,000	\$526,645	\$523,226	\$1,049,871
2027	\$109,401,841	\$20,000,000		\$293,153	\$208,000	\$501,153	\$481,368	\$982,521
2028	\$100,649,693	\$20,000,000		\$269,701	\$208,000	\$477,701	\$442,859	\$920,560
2029	\$92,597,718	\$92,597,718		\$248,125	\$963,016	\$1,211,141	\$1,018,575	\$2,229,716
2030	\$85,189,901	\$85,189,901		\$228,275	\$885,975	\$1,114,250	\$937,089	\$2,051,339
2031	\$78,374,709	\$78,374,709		\$210,013	\$815,097	\$1,025,110	\$862,122	\$1,887,232
2032	\$72,104,732	\$72,104,732		\$193,212	\$749,889	\$943,101	\$793,152	\$1,736,253
2033	\$66,336,353	\$66,336,353		\$177,755	\$689,898	\$867,653	\$729,700	\$1,597,353
			Total	\$5,095,881	\$6,183,875	\$11,279,756	\$8,973,498	\$20,253,254
			Diff	\$0	\$13,594,137	\$13,594,137	\$11,945,553	\$25,539,690

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2019	\$208,000	\$208,000	\$2,008,947	\$2,008,947
	2020	\$208,000	\$416,000	\$1,831,591	\$3,840,539
	2021	\$208,000	\$624,000	\$1,668,424	\$5,508,963
	2022	\$208,000	\$832,000	\$1,518,310	\$7,027,273
	2023	\$208,000	\$1,040,000	\$1,380,205	\$8,407,478
	2024	\$208,000	\$1,248,000	\$1,253,149	\$9,660,627
	2025	\$208,000	\$1,456,000	\$1,136,257	\$10,796,884
	2026	\$208,000	\$1,664,000	\$1,028,716	\$11,825,601
	2027	\$208,000	\$1,872,000	\$929,779	\$12,755,380
	2028	\$208,000	\$2,080,000	\$838,757	\$13,594,137
Maintain Viable Presence (5 Years)	2029	\$963,016	\$3,043,016	\$0	\$13,594,137
	2030	\$885,975	\$3,928,991	\$0	\$13,594,137
	2031	\$815,097	\$4,744,088	\$0	\$13,594,137
	2032	\$749,889	\$5,493,977	\$0	\$13,594,137
	2033	\$689,898	\$6,183,875	\$0	\$13,594,137
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$634,706	\$6,818,582	\$0	\$13,594,137
	2035	\$583,930	\$7,402,511	\$0	\$13,594,137
	2036	\$537,215	\$7,939,727	\$0	\$13,594,137
	2037	\$494,238	\$8,433,965	\$0	\$13,594,137
	2038	\$454,699	\$8,888,664	\$0	\$13,594,137
	2039	\$418,323	\$9,306,987	\$0	\$13,594,137
	2040	\$384,857	\$9,691,844	\$0	\$13,594,137
	2041	\$354,069	\$10,045,913	\$0	\$13,594,137
	2042	\$325,743	\$10,371,656	\$0	\$13,594,137
	2043	\$299,684	\$10,671,340	\$0	\$13,594,137

\$10,671,340

is less than

\$13,594,137

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

Source: CPA, Torrecillas Wind Energy, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	300	364	664.06	\$15,750,000	\$37,350,000	\$53,100,000	2620000	-1210000	\$3,830,000
2019	6	35	41	\$397,824	\$5,582,176	\$5,980,000	240000	410000	-\$170,000
2020	6	15	21	\$397,824	\$4,122,176	\$4,520,000	200000	420000	-\$220,000
2021	6	6	12	\$397,824	\$3,022,176	\$3,420,000	120000	370000	-\$250,000
2022	6	(0)	6	\$397,824	\$2,162,176	\$2,560,000	60000	320000	-\$260,000
2023	6	(4)	2	\$397,824	\$1,312,176	\$1,710,000	30000	260000	-\$230,000
2024	6	(6)	0	\$397,824	\$1,062,176	\$1,460,000	40000	190000	-\$150,000
2025	6	2	8	\$397,824	\$1,062,176	\$1,460,000	40000	140000	-\$100,000
2026	6	(0)	6	\$397,824	\$1,062,176	\$1,460,000	60000	80000	-\$20,000
2027	6	4	10	\$397,824	\$1,552,176	\$1,950,000	60000	20000	\$40,000
2028	6	4	10	\$397,824	\$1,802,176	\$2,200,000	80000	-30000	\$110,000
2029	6	4	10	\$397,824	\$1,312,176	\$1,710,000	50000	-50000	\$100,000
2030	6	4	10	\$397,824	\$1,312,176	\$1,710,000	20000	-80000	\$100,000
2031	6	(0)	6	\$397,824	\$1,312,176	\$1,710,000	-20000	-110000	\$90,000
2032	6	4	10	\$397,824	\$822,176	\$1,220,000	-20000	-130000	\$110,000
2033	6	(0)	6	\$397,824	\$1,312,176	\$1,710,000	-50000	-190000	\$140,000
2034	6	(0)	6	\$397,824	\$822,176	\$1,220,000	-80000	-230000	\$150,000
2035	6	(4)	2	\$397,824	\$332,176	\$730,000	-130000	-250000	\$120,000
2036	6	(6)	0	\$397,824	\$92,176	\$490,000	-190000	-320000	\$130,000
2037	6	(6)	0	\$397,824	-\$637,824	-\$240,000	-220000	-370000	\$150,000
2038	6	(10)	-4	\$397,824	-\$887,824	-\$490,000	-230000	-410000	\$180,000
2039	6	(10)	-4	\$397,824	-\$1,127,824	-\$730,000	-270000	-470000	\$200,000
2040	6	(10)	-4	\$397,824	-\$1,857,824	-\$1,460,000	-320000	-540000	\$220,000
2041	6	(10)	-4	\$397,824	-\$1,617,824	-\$1,220,000	-350000	-590000	\$240,000
2042	6	(14)	-8	\$397,824	-\$2,107,824	-\$1,710,000	-380000	-610000	\$230,000
2043	6	(18)	-12	\$397,824	-\$2,347,824	-\$1,950,000	-400000	-660000	\$260,000
2044	6	(18)	-12	\$397,824	-\$2,347,824	-\$1,950,000	-410000	-680000	\$270,000
Total							\$550,000	-\$4,720,000	\$5,270,000
							\$15,941,340	is greater than	\$13,594,137

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

Source: CPA, Torrecillas Wind Energy, 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 Torrecillas Wind Energy, 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:

- Torrecillas Wind Energy, LLC (an affiliate of NextEra Resources (NEER)) in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “ NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to California, North Dakota and Oklahoma.”
 - B. “Due to the extreme competitive power market in SPP most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently cited.”
- According to the Wind Power Monthly news release dated February 9, 2018, “United States: Telecommunications company A T & T will buy power produced from 520M W of two wind farms in Oklahoma and Texas development subsidiaries of NetEra Energy Resources.”
- Supplemental information provided by the applicant stated the following:
 - A. Is Torrecillas Wind Energy, LLC currently known by any other project names? None.
 - B. Has the project applied to ERCOT at this time? If so, please provide the project's IGNR number. ERCOT IGNR Number is 14INR0045.

Supporting Information

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

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

Supporting Information

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

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

☒ 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

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

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

Torrecillas Wind Energy, LLC

Chapter 313 Application to Benavides ISD

Cummings Westlake, LLC

TAB 5

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

NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S., with nearly 19,880 MW of generating capacity across 24 states and four Canadian provinces as of January 2017. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long-term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

NEER is keen to develop and build the proposed Torrecillas Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.

Due to the extremely competitive power market in SPP most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

**ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY TORRECILLAS WIND ENERGY, LLC TO BENAVIDES ISD**

Supporting Information

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located by the Comptroller

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UNITED STATES

AT&T buys 520MW from NextEra sites

9 February 2018 by Craig Richard ,

UNITED STATES: Telecommunications company AT&T will buy power produced from 520MW of two wind farms in Oklahoma and Texas developed by subsidiaries of NextEra Energy Resources.



Minco V will be part of a wind power complex which also includes the 99.2MW Minco 1 (above)

It has signed a power purchase agreement (PPA) for 220MW from the Minco V

wind farm in Caddo county, central Oklahoma, and for 300MW from the
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NextEra's Minco V was initially slated to come online this year, but has been delayed due to lawsuits with local landowners over the proximity of the site to their land. No update is given on [NextEra's project list](#) on the developer's website, which was last updated on 31 December 2017.

Torrecillas, meanwhile, is due to be completed in 2019. The 300MW site is currently owned by Bordas Wind Energy, a joint venture of energy developers Map Energy and Enerverse LLC, but once commissioned will pass over to NextEra.

AT&T described the energy purchased from the two projects as a "key component" of [its goal](#) to develop energy solutions that deliver carbon savings "ten times the footprint of our operations by 2025".

"As one of the world's largest companies, we know how we source our energy is important," said Scott Mair, AT&T's president of operations.

"Many companies are focused on their own carbon footprint but we believe our industry can do more.

"We've been working for a long time to ensure our wind projects deliver for both our business and the environment," Mair added.

Since 2010, AT&T has embarked upon a number of [energy efficiency projects](#), including reducing fleet emissions by 99,000 metric tons of CO₂e and reducing its domestic fleet by 1,800 vehicles by 2016.

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COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Benavides ISD–Torrecillas Wind Energy, LLC App. #1256

Comptroller Questions (via email on May 2, 2018):

1. *Is the Torrecillas Wind Energy, LLC currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number.*

Applicant Response (via email on July 30, 2018):

1. *None.*
2. 14INGR0045

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED TORRECILLAS
WIND ENERGY, LLC PROJECT IN THE BENAVIDES
INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1244)**

PREPARED BY



AUGUST 23, 2018

Executive Summary

Torrecillas Wind Energy, LLC (Company) has requested that the Benavides Independent School District (BISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BISD on January 24, 2018 the Company plans to invest \$213.2 million in additional taxable value to construct a wind energy facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Torrecillas Wind project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, BISD may offer a minimum value limitation of \$20 million. This value limitation, under the proposed application, will begin in the 2019-20 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted last year. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to BISD	\$2.2 million
Total Savings to Company after Revenue Loss Payment. (This amount does not include any supplemental benefit payments to the district.)	\$11.4 million

Application Process

After the school district has submitted an application along with any amendments to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. At the time the application is determined complete, the Comptroller will deliver a Completeness Letter to the company and the school district.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate

is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement.

After the Comptroller's certificate is received, O'Hanlon, Demerath & Castillo will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, O'Hanlon, Demerath & Castillo will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. The school board will also be required to consider the adoption of a job waiver its consideration of the Torrecillas Wind application.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). (For more detailed information on the school finance funding system, please review the Texas Education Agency's website [\(Manuals and Presentations\)](#) or [\(School Finance-One Page Descriptions\)](#).

Because the general school finance formula system calculates state aid entitlements using the Comptroller's certified property value for the preceding year, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state but require some type of compensation from the Company under the revenue protection provisions of the agreement. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

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.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment remained at \$5,140 and the Tier II Austin yield increased to \$106.28 for 2018-19, which is maintained for future years.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313 projects, if applicable, are also factored into the M&O tax bases used. The impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes is beyond the scope of this revenue report.

ADA: 330
 Local Tax Base: \$213.1 million
 M&O Tax Rate: \$1.04 per \$100
 I&S Tax Rate: \$0.268 per \$100
 Wealth per WADA: \$282,962

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 – Base District Information with Torrecillas Wind Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2018-19	329.57	706.18	\$1.0400	\$0.2680	\$213,051,224	\$213,051,224	\$210,139,973	\$210,139,973	\$297,573	\$297,573
QTP1/VL1	2019-20	329.57	706.18	\$1.0400	\$0.2680	\$426,219,224	\$233,051,224	\$210,139,973	\$210,139,973	\$297,573	\$297,573
QTP2/VL2	2020-21	329.57	706.18	\$1.0400	\$0.2680	\$409,165,784	\$233,051,224	\$423,307,973	\$230,139,973	\$599,434	\$325,895
VL3	2021-22	329.57	706.18	\$1.0400	\$0.2680	\$393,476,619	\$233,051,224	\$406,254,533	\$230,139,973	\$575,285	\$325,895
VL4	2022-23	329.57	706.18	\$1.0400	\$0.2680	\$379,042,588	\$233,051,224	\$390,565,368	\$230,139,973	\$553,069	\$325,895
VL5	2023-24	329.57	706.18	\$1.0400	\$0.2680	\$365,763,278	\$233,051,224	\$376,131,337	\$230,139,973	\$532,629	\$325,895
VL6	2024-25	329.57	706.18	\$1.0400	\$0.2680	\$353,546,314	\$233,051,224	\$362,852,027	\$230,139,973	\$513,824	\$325,895
VL7	2025-26	329.57	706.18	\$1.0400	\$0.2680	\$342,306,707	\$233,051,224	\$350,635,063	\$230,139,973	\$496,524	\$325,895
VL8	2026-27	329.57	706.18	\$1.0400	\$0.2680	\$331,966,268	\$233,051,224	\$339,395,456	\$230,139,973	\$480,608	\$325,895
VL9	2027-28	329.57	706.18	\$1.0400	\$0.2680	\$322,453,065	\$233,051,224	\$329,055,017	\$230,139,973	\$465,965	\$325,895
VL10	2028-29	329.57	706.18	\$1.0400	\$0.2680	\$313,700,917	\$233,051,224	\$319,541,814	\$230,139,973	\$452,494	\$325,895
VP1	2029-30	329.57	706.18	\$1.0400	\$0.2680	\$305,648,942	\$305,648,942	\$310,789,666	\$230,139,973	\$440,100	\$325,895
VP2	2030-31	329.57	706.18	\$1.0400	\$0.2680	\$298,241,125	\$298,241,125	\$302,737,691	\$302,737,691	\$428,698	\$428,698
VP3	2031-32	329.57	706.18	\$1.0400	\$0.2680	\$291,425,933	\$291,425,933	\$295,329,874	\$295,329,874	\$418,208	\$418,208
VP4	2032-33	329.57	706.18	\$1.0400	\$0.2680	\$285,155,956	\$285,155,956	\$288,514,682	\$288,514,682	\$408,557	\$408,557
VP5	2033-34	329.57	706.18	\$1.0400	\$0.2680	\$279,387,577	\$279,387,577	\$282,244,705	\$282,244,705	\$399,679	\$399,679

*Basic Allotment: \$5,140; AISD Yield: \$106.28; Equalized Wealth: \$514,000 per WADA

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

M&O Impact of the Torrecillas Wind Project on BISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$20 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$2.2 million over the course of the Agreement, with all the loss reflected in the first limitation year (2019-20). Nearly all reduction in M&O taxes under the limitation agreement

is offset through an increase in state aid under current law, along with some recapture cost offsets in the early years of the project and limitation period, as shown in Table 4.

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$2,117,115	\$1,749,568	\$0	\$84,685	\$217,776	\$0	\$0	\$17,375	\$4,186,519
QTP1/VL1	2019-20	\$4,244,795	\$1,749,568	\$0	\$169,792	\$436,633	\$0	\$0	\$17,375	\$6,618,163
QTP2/VL2	2020-21	\$4,074,261	\$147,177	-\$551,650	\$162,970	\$125,979	\$0	\$0	\$17,375	\$3,976,112
VL3	2021-22	\$3,917,369	\$96,610	-\$396,454	\$156,695	\$132,889	\$0	\$0	\$17,375	\$3,924,485
VL4	2022-23	\$3,773,029	\$147,177	-\$253,199	\$150,921	\$138,945	\$0	\$0	\$17,375	\$3,974,248
VL5	2023-24	\$3,640,236	\$96,610	-\$120,953	\$145,609	\$144,891	\$0	\$0	\$17,375	\$3,923,769
VL6	2024-25	\$3,518,066	\$222,448	\$0	\$140,723	\$150,417	\$0	\$0	\$17,375	\$4,049,029
VL7	2025-26	\$3,405,670	\$344,617	\$0	\$136,227	\$155,558	\$0	\$0	\$17,375	\$4,059,447
VL8	2026-27	\$3,302,266	\$457,013	\$0	\$132,091	\$159,930	\$0	\$0	\$17,375	\$4,068,675
VL9	2027-28	\$3,207,134	\$560,418	\$0	\$128,285	\$164,375	\$0	\$0	\$17,375	\$4,077,587
VL10	2028-29	\$3,119,612	\$655,550	\$0	\$124,784	\$168,515	\$0	\$0	\$17,375	\$4,085,836
VP1	2029-30	\$3,024,573	\$743,071	\$0	\$120,983	\$171,058	\$0	\$0	\$17,375	\$4,077,060
VP2	2030-31	\$2,951,976	\$823,591	\$0	\$118,079	\$174,638	\$0	\$0	\$17,375	\$4,085,659
VP3	2031-32	\$2,885,187	\$897,669	\$0	\$115,407	\$177,982	\$0	\$0	\$17,375	\$4,093,620
VP4	2032-33	\$2,823,742	\$965,821	\$0	\$112,950	\$180,647	\$0	\$0	\$17,375	\$4,100,535
VP5	2033-34	\$2,767,212	\$1,028,521	\$0	\$110,688	\$183,567	\$0	\$0	\$17,375	\$4,107,363

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$2,117,115	\$1,749,568	\$0	\$84,685	\$217,776	\$0	\$0	\$17,375	\$4,186,519
QTP1/VL1	2019-20	\$2,313,115	\$1,749,568	\$0	\$92,525	\$237,770	\$0	\$0	\$17,375	\$4,410,353
QTP2/VL2	2020-21	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VL3	2021-22	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VL4	2022-23	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VL5	2023-24	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VL6	2024-25	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VL7	2025-26	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VL8	2026-27	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VL9	2027-28	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VL10	2028-29	\$2,313,115	\$1,549,568	\$0	\$92,525	\$209,196	\$0	\$0	\$17,375	\$4,181,779
VP1	2029-30	\$3,024,573	\$1,549,568	\$0	\$120,983	\$273,723	\$0	\$0	\$17,375	\$4,986,222
VP2	2030-31	\$2,951,976	\$823,591	\$0	\$118,079	\$174,638	\$0	\$0	\$17,375	\$4,085,659
VP3	2031-32	\$2,885,187	\$897,669	\$0	\$115,407	\$177,982	\$0	\$0	\$17,375	\$4,093,620
VP4	2032-33	\$2,823,742	\$965,821	\$0	\$112,950	\$180,647	\$0	\$0	\$17,375	\$4,100,535
VP5	2033-34	\$2,767,212	\$1,028,521	\$0	\$110,688	\$183,567	\$0	\$0	\$17,375	\$4,107,363

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1/VL1	2019-20	-\$1,931,680	\$0	\$0	-\$77,267	-\$198,863	\$0	\$0	\$0	-\$2,207,810
QTP2/VL2	2020-21	-\$1,761,146	\$1,402,391	\$551,650	-\$70,445	\$83,217	\$0	\$0	\$0	\$205,667
VL3	2021-22	-\$1,604,254	\$1,452,958	\$396,454	-\$64,170	\$76,307	\$0	\$0	\$0	\$257,295
VL4	2022-23	-\$1,459,914	\$1,402,391	\$253,199	-\$58,396	\$70,251	\$0	\$0	\$0	\$207,531
VL5	2023-24	-\$1,327,121	\$1,452,958	\$120,953	-\$53,084	\$64,305	\$0	\$0	\$0	\$258,011
VL6	2024-25	-\$1,204,951	\$1,327,120	\$0	-\$48,198	\$58,779	\$0	\$0	\$0	\$132,750
VL7	2025-26	-\$1,092,555	\$1,204,951	\$0	-\$43,702	\$53,638	\$0	\$0	\$0	\$122,332
VL8	2026-27	-\$989,151	\$1,092,555	\$0	-\$39,566	\$49,266	\$0	\$0	\$0	\$113,104
VL9	2027-28	-\$894,019	\$989,150	\$0	-\$35,760	\$44,821	\$0	\$0	\$0	\$104,192
VL10	2028-29	-\$806,497	\$894,018	\$0	-\$32,259	\$40,681	\$0	\$0	\$0	\$95,943
VP1	2029-30	\$0	\$806,497	\$0	\$0	\$102,665	\$0	\$0	\$0	\$909,162
VP2	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$13.6 million over the life of the agreement. (See Table 5.) The BISD revenue losses are expected to total approximately \$2.2 million in the initial limitation year of the agreement, under current law. The total potential net tax benefits (after hold-harmless payments are made) are estimated to total \$11.4 million, prior to any negotiations with Torrecillas Wind on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with BISD currently levying a \$0.268 per \$100 I&S rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Local taxpayers should benefit from the addition of the Torrecillas Wind project to the local I&S tax roll. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 5 - Estimated Financial Impact of the Torrecillas Wind Project Property Value Limitation Request Submitted to BISD at \$1.04 per \$100 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP1	2018-19	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0
QTP1/VL1	2019-20	\$213,168,000	\$20,000,000	\$193,168,000	\$1.040	\$2,216,947	\$208,000	\$2,008,947	-\$2,207,810	-\$198,863
QTP2/VL2	2020-21	\$196,114,560	\$20,000,000	\$176,114,560	\$1.040	\$2,039,591	\$208,000	\$1,831,591	\$0	\$1,831,591
VL3	2021-22	\$180,425,395	\$20,000,000	\$160,425,395	\$1.040	\$1,876,424	\$208,000	\$1,668,424	\$0	\$1,668,424
VL4	2022-23	\$165,991,364	\$20,000,000	\$145,991,364	\$1.040	\$1,726,310	\$208,000	\$1,518,310	\$0	\$1,518,310
VL5	2023-24	\$152,712,054	\$20,000,000	\$132,712,054	\$1.040	\$1,588,205	\$208,000	\$1,380,205	\$0	\$1,380,205
VL6	2024-25	\$140,495,090	\$20,000,000	\$120,495,090	\$1.040	\$1,461,149	\$208,000	\$1,253,149	\$0	\$1,253,149
VL7	2025-26	\$129,255,483	\$20,000,000	\$109,255,483	\$1.040	\$1,344,257	\$208,000	\$1,136,257	\$0	\$1,136,257
VL8	2026-27	\$118,915,044	\$20,000,000	\$98,915,044	\$1.040	\$1,236,716	\$208,000	\$1,028,716	\$0	\$1,028,716
VL9	2027-28	\$109,401,841	\$20,000,000	\$89,401,841	\$1.040	\$1,137,779	\$208,000	\$929,779	\$0	\$929,779
VL10	2028-29	\$100,649,693	\$20,000,000	\$80,649,693	\$1.040	\$1,046,757	\$208,000	\$838,757	\$0	\$838,757
VP1	2029-30	\$92,597,718	\$92,597,718	\$0	\$1.040	\$963,016	\$963,016	\$0	\$0	\$0
VP2	2030-31	\$85,189,901	\$85,189,901	\$0	\$1.040	\$885,975	\$885,975	\$0	\$0	\$0
VP3	2031-32	\$78,374,709	\$78,374,709	\$0	\$1.040	\$815,097	\$815,097	\$0	\$0	\$0
VP4	2032-33	\$72,104,732	\$72,104,732	\$0	\$1.040	\$749,889	\$749,889	\$0	\$0	\$0
VP5	2033-34	\$66,336,353	\$66,336,353	\$0	\$1.040	\$689,898	\$689,898	\$0	\$0	\$0
						\$19,778,012	\$6,183,875	\$13,594,137	-\$2,207,810	\$11,386,327

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

Attachment E

Taxable Value of Property



Glenn Hegar
Texas Comptroller of Public Accounts



Property Tax

School and Appraisal Districts Property Value Study 2015 Report

2015 ISD Summary Worksheet

066/Duval

066-901/Benavides ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	32,963,896	.8070	40,847,455	32,963,896
B. Multi-Family Residences	74,350	N/A	74,350	74,350
C1. Vacant Lots	785,130	N/A	785,130	785,130
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	32,885,723	.9719	33,837,254	32,885,723
D2. Real Prop Farm & Ranch	0	N/A	0	0
E. Real Prop NonQual Acres	26,680,752	1.3263	20,116,679	26,680,752
F1. Commercial Real	3,160,230	N/A	3,160,230	3,160,230
F2. Industrial Real	1,798,610	N/A	1,798,610	1,798,610
G. Oil, Gas, Minerals	58,030,790	1.0580	54,849,518	58,030,790
J. Utilities	66,689,550	.9454	70,541,094	66,689,550
L1. Commercial Personal	1,437,160	N/A	1,437,160	1,437,160
L2. Industrial Personal	26,330,460	N/A	26,330,460	26,330,460

M. Other Personal	1,334,860	N/A	1,334,860	1,334,860
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	252,171,511		255,112,800	252,171,511
Less Total Deductions	24,712,075		29,478,712	24,712,075
Total Taxable Value	227,459,436		225,634,088	227,459,436 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4
230,921,997	227,459,436	230,921,997	227,459,436

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
3,462,561	0

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

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

ceiling reduction

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

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

Value Taxable For I&S Purposes

T7	T8	T9	T10
230,921,997	227,459,436	230,921,997	227,459,436

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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

BENAVIDES INDEPENDENT SCHOOL DISTRICT

and

TORRECILLAS WIND ENERGY, LLC

(Texas Taxpayer ID # 32050003543)

Comptroller Application # 1244

Dated

December 18, 2018

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

STATE OF TEXAS §

COUNTY OF DUVAL §

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 **BENAVIDES 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 **TORRECILLAS WIND ENERGY, LLC**, Texas Taxpayer Identification Number 32050003543 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 January 24, 2018, the Superintendent of Schools of the Benavides 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 January 24, 2018, 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 August 21, 2018 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Duval Appraisal District established in Duval County, Texas (the “Duval 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 October 31, 2018, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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

WHEREAS, on December 18, 2018, 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 December 18, 2018, 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 December 18, 2018, 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 December 11, 2018, 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 December 18, 2018, 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, or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I

DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

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

“Applicant” means Torrecillas Wind Energy, LLC, (*Texas Taxpayer ID #32050003543*) the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on January 24, 2018. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

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

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

“Appraisal District” means the Duval Appraisal District.

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

“Commercial Operation” means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land having a value that equals or exceeds \$10,000,000, and is able to generate electricity and is connected to the grid with an interconnection agreement.

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

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

“County” means Duval County, Texas.

“District” or “School District” means the Benavides 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 sixty (60) 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 ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

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

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

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

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

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

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

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

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's average daily attendance in the amount of 316 for the 2016-2017 school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall be the larger of the result of such calculation or \$50,000. The Annual Limit shall first be computed for Tax Year 2018, which, by virtue of the Approval Date is the Tax Year that includes the date on which the Board of Trustees approved the Application and this Agreement. If Texas Tax Code § 313.027(i) is amended to permit a larger Annual Limit, Section 6.6 of this Agreement shall apply.

"Applicable School Finance Law" means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the "Applicable School Finance Law" shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

"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.

"M&O Amount" means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 of this Agreement.

"New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District actually received for such school Year.

"Net Tax Benefit" means, for any subject 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 during the term of this Agreement if this Agreement had not been entered into by the Parties and the Applicant's Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year, for all Tax Years beginning with the Tax Year that includes the Application Review Start Date up to and including the subject Tax Year for which the calculation is being made; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due from Applicant to the District or any other governmental entity, including the State of Texas, for the same Tax Years, plus (B) any and all payments due to the District under Articles IV and V, of this Agreement for the same Tax Years, plus (C) any and all payments owed to the District under Article VI of this Agreement for the same Tax Years.

"Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for any particular Tax 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 & operations tax at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for each applicable year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property's M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant's Qualified Property will be used for the Qualified Property in lieu of the property's M&O taxable value.)

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 August 21, 2018, 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 December 18, 2018.

C. The Qualifying Time Period for this Agreement:

- i. Starts on December 18, 2018, the Application Approval Date; and
- ii. Ends on December 31, 2020, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2019, the first complete Tax Year that begins after the date of the commencement of Commercial Operation;
- ii. Ends on December 31, 2028.

E. The Final Termination Date for this Agreement is December 31, 2033.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Twenty Million Dollars (\$20,000,000), based on Section 313.054 of the TEXAS TAX CODE

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 \$10,000,000 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 \$709 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

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

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other

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

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as property used for renewable energy electric generation.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of losses that District incurs in its Maintenance and Operations Revenue will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year

starting in the year of the Application Review Start Date and ending on the Final Termination Date, the "M&O Amount," shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

- A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by Applicant to District for each Tax Year starting in the year of the Application Review Start Date and ending on the Final Termination Date means the Original M&O Revenue *minus* the New M&O Revenue.
- B. In making the calculations required by this Section 4.2 of this Agreement:
 - i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
 - 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 Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.
 - v. All calculations under this Section 4.2 shall be made by the methodology set forth above which isolates the impact on New M&O Revenue 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") approved each year by the District. The District agrees that for all Tax Years the Third Party selected by the District shall be either RM School Finance Consulting or Moak Casey & Associates. If the District desires to select a Third Party other than RM School Finance Consulting or Moak Casey & Associates, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. 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. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, 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, subject to the provisions of Section 4.6. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary out-of-pocket third party legal expenses incurred 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 or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00). For any Tax Year outside of the Tax Limitation Period, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Eight Thousand Dollars (\$8,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within forty-five (45) 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 4.6 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 certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Investment, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Investment and/or 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 and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, 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, Applicant shall make payments to District, up to the revenue protection amount limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a result of its participation in this Agreement. Such calculation shall be completed using the methodology described in Section 4.2 and shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District

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

ARTICLE VI

SUPPLEMENTAL PAYMENTS

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

A. Amounts Exclusive of Indemnity Amounts. 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 Supplemental Payments to be calculated as set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V, and VI are subject to the limitations contained in Section 7.1, and that all Supplemental Payments under this Article IV are subject to the separate limitations contained in Section 6.2 and Section 6.3.B.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

A. The total of the Supplemental Payments made pursuant to this Article shall: not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period;

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement; 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 2016-2017 Average Daily Attendance of 316, rounded to the nearest whole number.

Section 6.3. SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year during the term of this Agreement beginning with the Tax Year 2018, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i., the Applicant's Supplemental Payment Amount will annually be paid based on the following schedule

Date of Payment	Amount of Payment
January 31, 2019	Equal to the Annual Limit
January 31, 2020	Equal to the Annual Limit
January 31, 2021	Equal to the Annual Limit
January 31, 2022	Equal to the Annual Limit
January 31, 2023	Equal to the Annual Limit
January 31, 2024	Equal to the Annual Limit
January 31, 2025	Equal to the Annual Limit
January 31, 2026	Equal to the Annual Limit
January 31, 2027	Equal to the Annual Limit
January 31, 2028	Equal to the Annual Limit
January 31, 2029	Equal to the Annual Limit
January 31, 2030	Equal to the Annual Limit
January 31, 2031	Equal to the Annual Limit
January 31, 2032	Equal to the Annual Limit

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.
- B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.
- C. All amounts owed by the Applicant to the District for a Tax Year under this Article shall be paid on the same date established by Section 4.6 for such Tax Year.

Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments calculated as described in Section 6.5, above.

Section 6.6. SUPPLEMENTAL PAYMENT CHANGES. In the event Chapter 313 is modified or amended to allow the District to receive supplemental payments in excess of the limitation described in Section 6.2, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of supplemental payments as allowed by law; provided however, the supplemental payment owed for any given Tax Year of this Agreement shall not exceed an amount that, when added to all payments due to the District under Articles IV and V of this Agreement for the same Tax Year, exceeds forty percent (40%) of Applicant's Net Tax Benefit under this Agreement in such Tax Year. This Section 6.6 shall only apply if Chapter 313 of the TEXAS TAX CODE is amended so that the District is permitted to receive Supplemental Payments greater than as described in Section 6.2 above; otherwise, this Section 6.6 shall not be effective.

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 ADMIN. CODE Section 9.1052 and as

currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

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

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

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other

records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently

determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor’s Office to have access to the Applicant’s Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as

necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

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

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

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

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

Section 9.3. DISPUTE RESOLUTION.

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

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Duval County, 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 60 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the 60 days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

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

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$10,000,000 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 REQUIRED NEW QUALIFYING JOBS. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. 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:

Adell Cueva, Superintendent
Benavides Independent School District
106 W School Street
Benavides, TX 78341
Fax: (361) 256-3002
Email: acueva@Benavidesisd.net

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

Casey Tomasiak
Manager, Property Tax
NextEra Energy
700 Universe Blvd., PSX/JB
Juno Beach, FL 35408
Email: casey.tomasiak@nee.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.

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - 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 Duval County.

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. CONFLICTS OF INTEREST.

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

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT

CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of December, 2018.

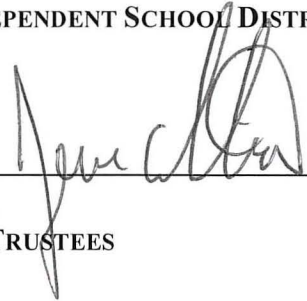
**TORRECILLAS WIND ENERGY,
LLC**

By: _____



BENAVIDES INDEPENDENT SCHOOL DISTRICT

By: _____



**PRESIDENT,
BOARD OF TRUSTEES**

ATTEST:

By: _____



**SECRETARY,
BOARD OF TRUSTEES**

In Event of Conflict:

By: _____

**VICE PRESIDENT,
BOARD OF TRUSTEES**

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, the Benavides ISD portion of the Project is within the reinvestment zone established pursuant to Chapter 312 of the Texas Tax Code by the Commissioner's Court in Duval County. All of the Applicant's Qualified Property and Applicant's Qualified Investment that is subject to this Agreement will be located within the boundaries of the Reinvestment Zone and the boundaries of the District.

DUVAL COUNTY LEGAL DESCRIPTION:

AN ORDER OF THE COMMISSIONERS COURT OF DUVAL COUNTY, TEXAS: (1) APPROVING AN ECONOMIC DEVELOPMENT PROGRAM REGARDING CERTAIN REAL PROPERTY LOCATED IN SAID COUNTY PURSUANT TO CHAPTER 381 OF THE TEXAS LOCAL GOVERNMENT CODE AND OTHER AUTHORITY; (2) DECLARING COUNTY INTENT TO PARTICIPATE IN TAX ABATEMENT AGREEMENTS, AND AUTHORIZING AND APPROVING COUNTY ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT; (3) APPROVING THE CREATION AND DESIGNATION OF A TAX ABATEMENT REINVESTMENT ZONE REGARDING CERTAIN REAL PROPERTY LOCATED IN SAID COUNTY PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE AND OTHER AUTHORITY; AND (4) ESTABLISHING AN EFFECTIVE DATE AND COMPLIANCE WITH THE TEXAS OPEN MEETING ACT.

WHEREAS, Duval County, Texas ("County") is a county of the State of Texas, having been duly created and organized under the constitution and laws of Texas, and further, the Duval County Commissioners Court ("Commissioners Court") is the governing body of said County; and

WHEREAS, pursuant to Article V, Section 18 and Article III Section 52-a of the Texas Constitution, Chapters 81 and 381 of the Texas Local Government Code, Chapter 312 of the Texas Tax Code, and other authority, the County may develop and administer economic development programs to stimulate business and commercial activity in Duval County, Texas, including the creation of tax abatement reinvestment zones to be created, designated, and administered regarding tax abatement agreements; and

WHEREAS, the Commissioners Court in the public interest finds it should directly engage and assist in the effort to stimulate and improve business and commercial activity in Duval County, Texas, from time to time using its lawful authority, discretion, and best business judgment, by the successful enactment, implementation, and administration of worthwhile economic development programs for said county as allowed by law, including the (1) execution and implementation of economic development and tax abatement agreements, (2) creation and administration of tax abatement reinvestment zones, (3) use of County personnel, employees, funds, and services, (4) acceptance of contributions, donations, and gifts of authorized resources, (5) making of loans or grants of public funds, and/or (6) performance of other activities allowed by law, and further, finds these activities are authorized economic development tools available to the County to stimulate business and commercial activity pursuant to the authority herein described; and

WHEREAS, there exists certain real property that is the subject of this order, same being those contiguous tracts or parcels of land, being and situated in Duval County, Texas, containing 57,232.76 acres, more or less, as described in the attached **Exhibit A** ("Property"); and

WHEREAS, in order to stimulate business and commercial activity in Duval County, Texas, the Commissioners Court desires by this order to establish, implement, and administer the following economic development program ("Project") for the Property: the acquisition, placement, location, construction, maintenance, repair, and operation, by a private party or business entity, or by a governmental entity, on all or part of the Property, of machinery, equipment, materials, structures, improvements, and infrastructure actually constructed, operated, and maintained on the Property to generate, produce, and/or distribute electricity, including without limitation wind-powered electric generating facilities; and

WHEREAS, the acquisition, placement, location, construction, maintenance, repair, and operation of the Project on the Property, due to its size and scope, will result over time in increased economic opportunity for the people of Duval County, Texas and have a positive effect regarding local economic issues, including without limitation (1) increased local tax bases, (2) increased employment and wages, (3) increased wholesale and retail sales, and (4) a decrease in the number of families living in poverty; and

WHEREAS, Torrecillas Wind Energy, LLC, by and through its representatives, has filed an application with the County and (1) indicated a desire to develop the Property in accordance with the Project requirements herein described, and (2) requested the County's creation of a tax abatement reinvestment zone regarding the Property prior to the negotiation for and potential execution of a tax abatement agreement with the County regarding the Property and Project; and

WHEREAS, all prerequisites to the creation and designation of a tax abatement reinvestment zone for the Property and Project, including public notice and a public hearing, have been accomplished by the County as required by law and the active Tax Abatement Guidelines and Criteria for Duval County, Texas, dated April 16, 2018; and

WHEREAS, the Commissioners Court desires by this order to approve the (1) Project for the Property, (2) County's eligibility to participate in tax abatement, and (3) proposed tax abatement reinvestment zone regarding the Property and Project; and

WHEREAS, the Commissioners Court finds that all public purposes described in this order shall be obtained or substantially achieved through the creation, designation, and administration of a tax abatement reinvestment zone on and regarding the Property for the Project.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Commissioners Court of Duval County, Texas, for and on behalf of the County and in the public interest, as follows:

- (1) Unless otherwise designated, the past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall each include the other where necessary for a correct meaning in this order.

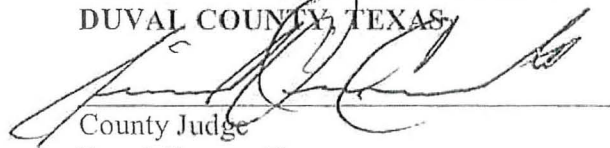
- (2) All statements made in the caption, preamble, and preliminary recitals of this order, and all attached documents, are incorporated by reference.
- (3) The following economic development program (or Project) is approved regarding the Property to stimulate business and commercial activity in Duval County, Texas: the acquisition, placement, location, construction, maintenance, repair, and operation, by a private party or business entity, or by a governmental entity, on all or part of the Property, of machinery, equipment, materials, structures, improvements, and infrastructure actually constructed, operated, and maintained on the Property to generate, produce, and/or distribute electricity, including without limitation wind-powered electric generating facilities.
- (4) All lawful economic development tools available to the County, as herein described, shall be considered for use and implementation regarding the Property and Project from time to time through the exercise of the lawful authority, discretion, and best business judgment of the Commissioners Court.
- (5) The Commissioners Court hereby declares the County's: (a) intent to participate in tax abatement agreements from time to time through the exercise of its lawful authority, discretion, and best business judgment, to stimulate business and commercial activity in Duval County, Texas; and (b) election to be eligible to participate in tax abatement as allowed by law.
- (6) The following tax abatement reinvestment zone is hereby approved, created, designated, and established, and shall be implemented and administered, by the County regarding the Property and Project: **Duval County, Texas Tax Abatement Reinvestment Zone No. 2018-001** ("Zone"). The land area of the Zone (or Property) is more particularly described as follows pursuant to the public records of the County Clerk of Duval County, Texas and the Duval County Appraisal District, to which reference is made for all purposes: a contiguous land area, containing 57,232.76 acres, more or less, and more particularly described in the attached **Exhibit A**.
- (7) The Commissioners Court finds that: (a) all public notice requirements for the creation and designation of the Zone and Project on the Property were accomplished as required by law; (b) a public hearing regarding a proposed Zone for the Property was properly conducted at a public meeting of the Commissioners Court, after notice for said meeting and hearing was accomplished as required by law; (c) the improvements sought within the Zone are feasible and practical and will be a benefit to the land to be included in the Zone and to the County after the expiration of any tax abatement agreement; and (d) the Zone area designation and


Project on the Property will contribute to the retention or expansion of primary employment or will attract major investment in the Zone that will be a benefit to the Property included in the Zone and will contribute to the economic development of Duval County, Texas.

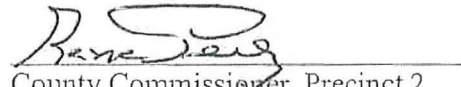
- (8) This order shall take effect immediately after its passage.
- (9) All prior acts of the County, including its elected officials, appointed officials, officers, employees, agents, attorneys, and representatives, are hereby ratified, confirmed, and approved regarding this and any related matter.
- (10) This matter was ordered, adopted, and approved at a public meeting held in compliance with Chapter 551 of the Texas Government Code, the Texas Open Meetings Act.

ORDERED, ADOPTED, AND APPROVED on the 9th day of July, 2018.

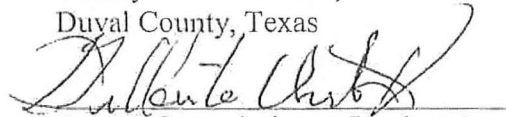
THE COMMISSIONERS COURT OF
DUVAL COUNTY, TEXAS


County Judge
Duval County, Texas



County Commissioner, Precinct 1
Duval County, Texas


County Commissioner, Precinct 2
Duval County, Texas

County Commissioner, Precinct 3
Duval County, Texas


County Commissioner, Precinct 4
Duval County, Texas

ATTEST:


County Clerk
Duval County, Texas

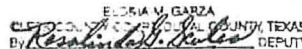
FILED FOR RECORD
AT _____ o'clock _____ M
JUL 09 2018
By  EUDORA M. GARZA
CLERK OF THE COUNTY OF DUVAL COUNTY, TEXAS
DEPUTY

EXHIBIT A

Property Description:

Duval County, Texas Tax Abatement Reinvestment Zone No. 2018-001



SURVEY	BLOCK	SECTION	ABSTRACT
AB&M		184	1999
GB&CNG RR CO		39	717
GB&CNG RR CO		40	1721
GB&CNG RR CO		187	866
AB&M		183	839
GB&CNG RR CO		38	1706
BS&F		511	143
SINCLAIR, J F		2	2112
GB&CNG RR CO		188	1983
CCD CO		65	692
GB&CNG RR CO		37	722
SINCLAIR, J F		1	2111
BS&F		195	71
BS&F		196	1981
AB&M		176	1790
AB&M		178	1699
BS&F		193	75
BS&F		194	1252
BS&F		194	1705
AB&M		175	23
AB&M		177	22
GARCIA, G P		15	712
GARCIA, J			711
POITEVENT, J		160	1207
POITEVENT, J		162	1206
SA&MG RR CO		1	523
GB&CNG RR CO		31	725
GB&CNG RR CO		32	1163
POITEVENT, J		159	385
POITEVENT, J		161	384
GB&CNG RR CO		29	726
GIBSON, J H		397	263
GIBSON, J H		398	1697
AB&M		157	24
POITEVENT, J		393	438
POITEVENT, J		394	1125
POITEVENT, J		154	1122
POITEVENT, J		153	379
POITEVENT, J		156	1737
POITEVENT, J		391	439
POITEVENT, J		392	1126
BALDERAS, S			169
POITEVENT, J		151	391
POITEVENT, J		155	378
POITEVENT, J		389	440
POITEVENT, J		390	1131

POITEVENT, J		152	1159
AB&M		173	21
AB&M		174	1161
POITEVENT, J		170	1130
TOYAH CRK IRR CO		93	761
CHATHAM, M H		322	1722
CHATHAM, M H		383	1914
TIGERT, J M		321	2021
CCSD&RGNG RR CO	1	72	1690
AB&M		795	40
AB&M		796	1772
GB&CNG RR CO		36	1703
CCSD&RGNG RR CO	1	73	2018
AB&M		793	41
AB&M		794	1769
GB&CNG RR CO		35	714
CCSD&RGNG RR CO		114	1607
BS&F		791	123
BS&F		792	1912
BS&F		792	1771
ROSCAL, S		390	1768
GB&CNG RR CO		34	1704
CCSD&RGNG RR CO	1	111	2019
BS&F		789	1342
BS&F		790	1770
GB&CNG RR CO		33	724
LOPEZ, A		2350	2072
STATE OF TEXAS			?16
BS&F		399	101
STATE OF TEXAS			?17
BS&F		400	1204
AB&M		733	764
AB&M		734	1861
BS&F		405	98
BS&F		406	1203
POITEVENT, J		163	383
SK&K		165	552
STATE OF TEXAS			?18
AB&M		731	765
BS&F		401	100
POITEVENT, J		164	1128
SK&K		166	1129
BS&F		402	1739
BS&F		730	1990
BS&F		730	1862
BS&F		395	97
BS&F		396	1162

AB&M		727	1214
BS&F		404	1167
BS&F		403	99
AB&M		728	1510
BS&F		423	105
BS&F		424	1158
STEPHENSON, J		251	1168
LOPEZ, F		56	1864
LOPEZ, F		55	1863
POITEVENT, J		171	380
POITEVENT, J		172	1160
POITEVENT, J		168	1736
T&NO RR CO		144	1208
T&NO RR CO		143	1442
RICHARDSON, C E			2121
MEYER, W		146	815
POITEVENT, J		167	382
BS&F		790	1913
Also including: State of Texas, Abstract No. 0; and Peters, L., Abstract No. 2119			

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property that is subject to this Agreement shall be located and on which the Qualified Investment that is subject to this Agreement shall be made is described by the map attached to **Exhibit 1**, which is within the boundaries of the District.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment that is subject to this Agreement shall be all tangible personal property first placed in service after August 21, 2018, owned by the Applicant, as more fully described in Tab 7 of the Application and **EXHIBIT 4** below, and located within the boundaries of the Benavides Independent School District and the reinvestment zone and project boundaries depicted on the map attached to **EXHIBIT 1**.

Torrecillas Wind Energy, LLC plans to construct a 202 MW wind farm in Duval County.

This application covers all qualified property within Benavides ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Two hundred and two megawatts (202 MW) will be located in Benavides ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 81 of the 2.50 MW turbines manufactured by GE.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

NOTE: The map in TAB 11 shows the potential locations of 81 of the wind turbines, an O&M building and a collector substation within Benavides ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Benavides ISD and the reinvestment zone and project boundaries depicted on the map attached to this **EXHIBIT 4** necessary for the commercial operations of a total of 202 MW wind farm. The exact capacity and the specific technology components will be determined during the development and design process.

Torrecillas Wind Energy, LLC plans to construct a 202 MW wind farm in Duval County.

This application covers all qualified property within Benavides ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Two hundred and two megawatts (202 MW) will be located in Benavides ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 81 of the 2.50 MW turbines manufactured by GE.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

*NOTE: The map in TAB 11 shows the potential locations of 81 of the wind turbines, an O&M building and a collector substation within Benavides ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

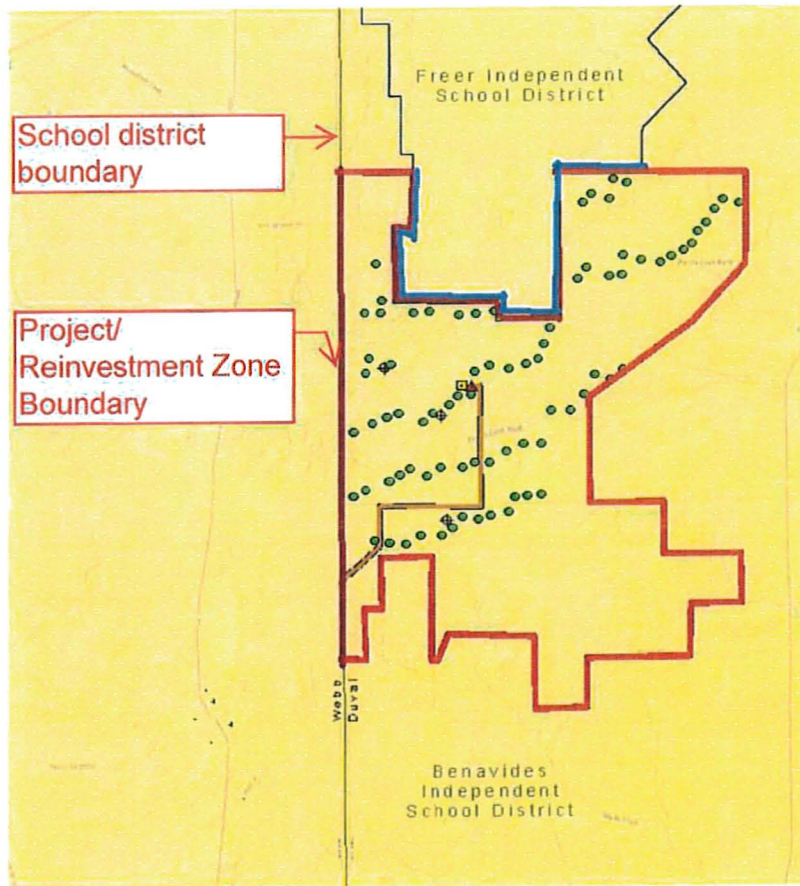


EXHIBIT 5
AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Qualifying Time Period	Partial Year Beginning on the Application Approval Date (12/18/18)	January 1, 2018	2018-2019	2018	Start of Qualifying Time Period beginning with the Application Approval Date (12/18/18). No limitation on appraised value. First year for computation of Annual Limit.
	1	January 1, 2019	2019-2020	2019	Qualifying Time Period. No limitation on appraised value.
	2	January 1, 2020	2020-2021	2020	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	1	January 1, 2019	2019-2020	2019	\$20 million appraised value limitation.
	2	January 1, 2020	2020-2021	2020	\$20 million appraised value limitation.
	3	January 1, 2021	2021-2022	2021	\$20 million appraised value limitation.
	4	January 1, 2022	2022-2023	2022	\$20 million appraised value limitation.
	5	January 1, 2023	2023-2024	2023	\$20 million appraised value limitation.
	6	January 1, 2024	2024-2025	2024	\$20 million appraised value limitation.
	7	January 1, 2025	2025-2026	2025	\$20 million appraised value limitation.
	8	January 1, 2026	2026-2027	2026	\$20 million appraised value limitation.
	9	January 1, 2027	2027-2028	2027	\$20 million appraised value limitation.
	10	January 1, 2028	2028-2029	2028	\$20 million appraised value limitation.
Maintain Viable Presence (5 Years)	11	January 1, 2029	2029-2030	2029	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	12	January 1, 2030	2030-2031	2030	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	13	January 1, 2031	2031-2032	2031	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2032	2032-2033	2032	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Agreement for Limitation on Appraised Value
Between Benavides ISD and Torrecillas Wind Energy, LLC
December 18, 2018

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

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

December 18, 2018

President and Members
Board of Trustees
Benavides Independent School District
106 W. School Street
P.O. Drawer P
Benavides, Texas 78341

Re: Recommendations and Findings of the firm Concerning Application of Torrecillas Wind Energy LLC (#1244) for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Benavides Independent School District, with respect to the pending Application of Torrecillas Wind Energy LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Torrecillas Wind Energy LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

808 WEST AVE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

December 18, 2018

President and Members

Board of Trustees

Benavides Independent School District

106 W. School Street

P.O. Drawer P

Benavides, Texas 78341

*Re: Recommendations and Findings of the Firm Concerning Application of Torrecillas
Wind Energy LLC for Limitation on Appraised Value of Property for School
District Maintenance and Operations Taxes*

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Benavides Independent School District, with respect to the pending Application of Torrecillas Wind Energy LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Torrecillas Wind Energy LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Torrecillas Wind Energy LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

December 11, 2018

Adell Cueva
Superintendent
Benavides Independent School District
106 W. School St.
P. O. Drawer P
Benavides, Texas 78341-0916

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Benavides Independent School District and Torrecillas Wind Energy, LLC, Application 1244

Dear Superintendent Cueva:

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 Benavides Independent School District and Torrecillas Wind Energy, 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 Annette Holmes with our office. She can be reached by email at annette.holmes@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-3792 or at 512-475-3792.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Dan Casey, Moak, Casey & Associates
Casey Tomasiak, NextEra Energy
Brandon Westlake, Cummings Westlake, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.