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March 19, 2019

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

RE: Amendment003 to Southland Independent School District from Sage Draw Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment003 to Southland ISD from Sage Draw Wind, LLC

The following changes have been made:

1. Tabs 4, 6, 7 and 8: Installed capacity has increased to 338.4MW. The size of the turbines has changed to 2.82MW.
2. Schedules A1, A2 and B New investment has changed to \$197,560,000

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

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Garza County Appraisal District

Tab Item 4

Detailed Description of the Project

Sage Draw Wind, LLC (“Sage Draw Wind”) is requesting a Chapter 313 Appraised Value Limitation Agreement from Southland ISD for a proposed renewable energy project using wind turbines (the “Project”) to be constructed partially in Southland ISD (Lynn County and Garza County) and partially in Wilson ISD (Lynn County) (the “Project”). The portion of the Project located in Southland ISD is the subject of this application. The portion of the Project located in Wilson ISD is the subject of a separate application being filed simultaneous with this application.

The installed capacity of the proposed project is expected to be approximately 338.4 megawatts (MW). While turbine type and size have yet to be finalized, the current plan is to utilize approximately one-hundred and twenty (120) GE 2.82 MW wind turbine generators with 89m towers and rotors of 127m rotor diameter. The Project is anticipated to cover approximately 50,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in December 2018 and is anticipated to be complete in the fourth quarter of 2019. The siting of the wind turbine generators is currently proposed to be allocated among the counties and school districts as follows:

Southland ISD

65 turbines for a total of 183.3 MW
(30 in Lynn County; 35 in Garza County)

Wilson ISD

55 turbines for a total of 155.1 MW

In addition to the wind turbines, the Project will also include the following improvements:

- an operations and maintenance building (located in Southland ISD, Lynn County)
- underground electrical collection cables (located throughout the Project area)
- meteorological towers
- substation (located in Southland ISD, Lynn County)
- overhead transmission line that will connect the project substation to a substation owned by Sharyland Utilities (the Point of Interconnection, which is located in Lynn County) (a portion of the transmission line is located in Southland ISD, Lynn County)

None of this property is covered under an existing appraisal district account number.

This Project is expected to have a useful life of 30 years or more.

Approximately 200 construction workers are anticipated at peak of construction activity, and approximately 6 permanent full-time workers are anticipated for the plan management and operations and maintenance functions for the entire project.

Tab Item 6

Description of Project Breakdown Between Multiple Districts

The overall Project is anticipated to have a capacity of 338.4 MW consisting of 120 GE 2.82 MW wind turbine generators, with each having a nameplate capacity of 2.82 MW. The siting of the turbines will be allocated among the counties and school districts as follows:

Southland ISD

65 turbines for a total of 183.3 MW
(30 in Lynn County; 35 in Garza County)

Wilson ISD

55 turbines for a total of 155.1 MW

Based on the location of the turbines shown above, 54% of the Project is located in Southland ISD, and 46% of the Project is located in Wilson ISD.

Based on the location of the turbines shown above, 71% of the Project is located in Lynn County, and 29% of the Project is located in Garza County.

The Project's substation will be located in Southland ISD (Lynn County). The Project's Point of Interconnection is in Lynn County. A portion of the transmission line connecting the Project's substation to the Point of Interconnection will be located in Southland ISD (Lynn County).

Tab Item 7

Description of Qualified Investment

Sage Draw Wind, LLC plans to construct a 338.4 MW wind farm consisting of 120 turbines in Lynn and Garza Counties and within the boundaries of Wilson ISD and Southland ISD.

The applicant is requesting an appraised value limitation on all of the qualified investment and the qualified property constructed or placed upon the real property within Southland ISD. For purposes of this application, the Project anticipates using General Electric (GE) 2.82 MW turbines. The qualified investment in Southland ISD is expected to include approximately sixty-five (65) GE 2.82 MW wind turbine generators, including 89m towers, nacelles, rotors with 127m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, met towers, spare parts and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the Northeastern part of Lynn County and Northwestern part of Garza County. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines, as well the exact specifications, heights, and component parts, is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the Project will also include the following qualified investment in Southland ISD (all in Lynn County):

- underground electrical collection cables
- permanent meteorological towers
- Project collector substation
- overhead transmission line connecting the Project collector substation to the Point of Interconnection.

The approximate location of each of these improvements is shown on the map in Tab 11.

Tab Item 8

Description of Qualified Property

Sage Draw Wind, LLC plans to construct a 338.4 MW wind farm consisting of 120 turbines in Lynn and Garza Counties and within the boundaries of Wilson ISD and Southland ISD.

The applicant is requesting an appraised value limitation on all of the qualified investment and the qualified property constructed or placed upon the real property within Southland ISD. For purposes of this application, the Project anticipates using General Electric (GE) 2.82 MW turbines. The qualified investment in Southland ISD is expected to include approximately sixty-five (65) GE 2.82 MW wind turbine generators, including 89m towers, nacelles, rotors with 127m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, met towers, spare parts and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the Northeastern part of Lynn County and Northwestern part of Garza County. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines, as well the exact specifications, heights, and component parts, is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the Project will also include the following qualified investment in Southland ISD (all in Lynn County):

- underground electrical collection cables
- permanent meteorological towers
- Project collector substation
- overhead transmission line connecting the Project collector substation to the Point of Interconnection.

The approximate location of each of these improvements is shown on the map in Tab 11.

Date **2/23/2018**
 Applicant Name **Sage Draw Wind**
 ISD Name **Southland ISD**

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

1249-southland-sagedraw-amendment003
 March 18, 2019 Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E 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.]	
Investment made after filing complete application with district, but before final board approval of application	--								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period									
Complete tax years of qualifying time period	QTP1	2019-2020	2019	196,560,000	1,000,000			197,560,000	
		2020-2021	2020						
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				196,560,000	1,000,000			197,560,000	
Total Qualified Investment (sum of green cells)				Enter amounts from TOTAL row above in Schedule A2					197,560,000

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.

Date **2/23/2018**
 Applicant Name **Sage Draw Wind, LLC**
 ISD Name **Southland ISD**

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

1249-southland-sagedam-amendment003
March 18, 2019 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 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				
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2018-2019	2018						
	0	2019-20	2019						
Value limitation period***	1	2020-21	2020	\$ 196,560,000	\$ 1,000,000	\$ -	\$ -	\$ 197,560,000	
	2	2021-22	2021	\$ -	\$ -	\$ -	\$ -	\$ -	
	3	2022-23	2022	\$ -	\$ -	\$ -	\$ -	\$ -	
	4	2023-24	2023	\$ -	\$ -	\$ -	\$ -	\$ -	
	5	2024-25	2024	\$ -	\$ -	\$ -	\$ -	\$ -	
	6	2025-26	2025	\$ -	\$ -	\$ -	\$ -	\$ -	
	7	2026-27	2026	\$ -	\$ -	\$ -	\$ -	\$ -	
	8	2027-28	2027	\$ -	\$ -	\$ -	\$ -	\$ -	
	9	2028-29	2028	\$ -	\$ -	\$ -	\$ -	\$ -	
	10	2029-30	2029	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Investment made through limitation				\$ 196,560,000	\$ 1,000,000	\$ -	\$ -	\$ 197,560,000	
Continue to maintain viable presence	11	2030-31	2030			\$ -	\$ -	\$ -	
	12	2031-32	2031			\$ -	\$ -	\$ -	
	13	2032-33	2032			\$ -	\$ -	\$ -	
	14	2033-34	2033			\$ -	\$ -	\$ -	
	15	2034-35	2034			\$ -	\$ -	\$ -	
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-36	2035			\$ -	\$ -	\$ -	
	17	2036-37	2036			\$ -	\$ -	\$ -	
	18	2037-38	2037			\$ -	\$ -	\$ -	
	19	2038-39	2038			\$ -	\$ -	\$ -	
	20	2039-40	2039			\$ -	\$ -	\$ -	
	21	2040-41	2040			\$ -	\$ -	\$ -	
	22	2041-42	2041			\$ -	\$ -	\$ -	
	23	2042-43	2042			\$ -	\$ -	\$ -	
	24	2043-44	2043			\$ -	\$ -	\$ -	
	25	2044-45	2044			\$ -	\$ -	\$ -	

* 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)

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March 18, 2019

Date 2/23/2018
 Applicant Name Sage Draw Wind, LLC
 ISD Name Southland ISD

Form 50-296A

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	2019-20	2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2020-21	2020	\$ -	1,000,000	\$ 196,560,000	\$ 197,560,000	\$ 197,560,000	\$ 20,000,000
	2	2021-22	2021	\$ -	960,000	\$ 180,835,200	\$ 181,795,200	\$ 181,795,200	\$ 20,000,000
	3	2022-23	2022	\$ -	921,600	\$ 166,368,384	\$ 167,289,984	\$ 167,289,984	\$ 20,000,000
	4	2023-24	2023	\$ -	884,736	\$ 153,058,913	\$ 153,943,649	\$ 153,943,649	\$ 20,000,000
	5	2024-25	2024	\$ -	849,347	\$ 140,814,200	\$ 141,663,547	\$ 141,663,547	\$ 20,000,000
	6	2025-26	2025	\$ -	815,373	\$ 129,549,064	\$ 130,364,437	\$ 130,364,437	\$ 20,000,000
	7	2026-27	2026	\$ -	782,758	\$ 119,185,139	\$ 119,967,897	\$ 119,967,897	\$ 20,000,000
	8	2027-28	2027	\$ -	751,447	\$ 109,650,328	\$ 110,401,775	\$ 110,401,775	\$ 20,000,000
	9	2028-29	2028	\$ -	721,390	\$ 100,878,302	\$ 101,599,691	\$ 101,599,691	\$ 20,000,000
	10	2029-30	2029	\$ -	692,534	\$ 92,808,038	\$ 93,500,572	\$ 93,500,572	\$ 20,000,000
Continue to maintain viable presence	11	2030-31	2030	\$ -	664,833	\$ 85,383,395	\$ 86,048,227	\$ 86,048,227	\$ 86,048,227
	12	2031-32	2031	\$ -	638,239	\$ 78,552,723	\$ 79,190,962	\$ 79,190,962	\$ 79,190,962
	13	2032-33	2032	\$ -	612,710	\$ 72,268,505	\$ 72,881,215	\$ 72,881,215	\$ 72,881,215
	14	2033-34	2033	\$ -	588,201	\$ 66,487,025	\$ 67,075,226	\$ 67,075,226	\$ 67,075,226
	15	2034-35	2034	\$ -	564,673	\$ 61,168,063	\$ 61,732,736	\$ 61,732,736	\$ 61,732,736
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-36	2035	\$ -	542,086	\$ 56,274,618	\$ 56,816,704	\$ 56,816,704	\$ 56,816,704
	17	2036-37	2036	\$ -	520,403	\$ 51,772,648	\$ 52,293,051	\$ 52,293,051	\$ 52,293,051
	18	2037-38	2037	\$ -	499,587	\$ 47,630,836	\$ 48,130,423	\$ 48,130,423	\$ 48,130,423
	19	2038-39	2038	\$ -	479,603	\$ 43,820,370	\$ 44,299,973	\$ 44,299,973	\$ 44,299,973
	20	2039-40	2039	\$ -	460,419	\$ 40,314,740	\$ 40,775,159	\$ 40,775,159	\$ 40,775,159
	21	2040-41	2040	\$ -	442,002	\$ 37,089,561	\$ 37,531,563	\$ 37,531,563	\$ 37,531,563
	22	2041-42	2041	\$ -	424,322	\$ 34,122,396	\$ 34,546,718	\$ 34,546,718	\$ 34,546,718
	23	2042-43	2042	\$ -	407,349	\$ 31,392,604	\$ 31,799,954	\$ 31,799,954	\$ 31,799,954
	24	2043-44	2043	\$ -	391,055	\$ 28,881,196	\$ 29,272,251	\$ 29,272,251	\$ 29,272,251
25	2044-45	2044	\$ -	375,413	\$ 26,570,700	\$ 26,946,113	\$ 26,946,113	\$ 26,946,113	

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.

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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 ▶ Toby Miller
Print Name (Authorized School District Representative)
Superintendent
Title
sign here ▶ [Signature]
Signature (Authorized School District Representative)
3-18-19
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here ▶ Philip Moore
Print Name (Authorized Company Representative (Applicant))
Senior VP, Development
Title
sign here ▶ [Signature]
Signature (Authorized Company Representative (Applicant))
2/11/2019
Date

GIVEN under my hand and seal of office this, the

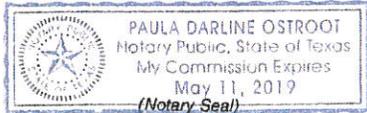
12th day of February, 2019

Paula D. Ostroff

Notary Public in and for the State of Texas

My Commission expires:

5/11/19



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.