1267-culberson county-allamoore-IP
Titan-amendment 001
Amended 7-19-18

CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

July 17, 2018

Mr. Ken Baugh, Superintendent
Culberson County - Allamoore Independent School District
400 W. 7th Street
Van Horn, TX 79855

Re: Chapter 313 Application #1267 Amendments

Dear Mr. Baugh,

In an email dated July 3, 2018 the Comptroller asked for the following corrections and additional information;

1. Tab 2: Digital version did not have copy of check

Response: A digital copy of the application fee check is attached as supplemental information.

2. Section 5: Verify as it differs from Application 1266 (IP Aragorn, LLC)

Response: Applicant believes the answers in Section 5 and the information in Tab 3 are correct.

3. Tab 7: Will there be a Project substation and O&M for both Application 1266 and 1267 (IP Titan and IP Aragorn)? Note that if there is a Project substation and O&M for IP Titan, LLC (App 1267) you will need to update the Map (Tab 11) to show the location inside App 1267's project boundary. Furthermore, please list the qualified property that only applies to Application 1267.

As explained in a meeting with the Comptroller on July 10th, there is a project substation and O&M building for both IP Aragorn and IP Titan. A revised approximate project boundary map for IP Titan is attached. The description of qualified property in this application is accurate.

4. Tab 12: The "Request for Waiver of Job Creation Requirement" letter must state the industry standard for the number of employees reasonably necessary for the operation of the facility. This must include either a clearly stated industry standard number of jobs or a testable calculation; for example, a specific number of jobs per a specific number of solar panels/MW.

Response: A revised job waiver letter is attached with a testable calculation.

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P: 713.266.4456 W: cwlp.net

5. Section 14 Question 7a. The wages for 7a (all industries) must be set to "total all" ownership. Under Tab 13, please provide a new "Quarterly Employment and Wages (QCEW)" reflecting the change to "total all."

Response: A revised wage rate calculation is attached.

   a. As there is no average weekly wage for manufacturing jobs in the county figure available, please insert "N/A" in 7.b.

Response: A text box with N/A is inserted in 7.b.

6. Schedule D: Please provide annual incentive as a percentage.

Response: As noted in our meeting on July 10th, applicant has asked the county and hospital district for a 90% abatement for ten years. This is stated in the "Additional Information" box at the bottom of the form.

7. Maps: Based on the original included map, we are unable to determine the project area that applies only to application 1267. This application should only reference the project area that resides in Culberson County-Allamoore ISD. Also, with the new map, please provide streets or landmarks or highways (we aren't able to determine the exact location of the project boundary) and provide a map legend.

Response: Attached is a revised map showing the approximate project boundary for this application. Also attached is a map from the Permanent University Fund showing Block 46 in relation to two highways. All of this project is in Culberson County-Allamoore ISD.

The following additional information is also included as amendments to the application. Tab 9 is amended to state that all of the sections in Block 46 that are in the reinvestment zone are University Lands. Tab 16 is amended to state that all of the sections in Block 46 that are in the reinvestment zone are University Lands.

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Evidence of creation of the reinvestment zone by Culberson County Commissioners Court on July 9, 2018 is also attached.

Sincerely,

D. Dale Cummings

D. Dale Cummings

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IP Titan-amendment 001
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SECURITY FEATURES INCLUDE TRUE WATERMARK PAPER, HEAT SENSITIVE ICON AND FOIL HOLOGRAM

001047

IP Renewable Energy Holdings LLC
548 Market Street, Suite 68743
San Francisco, CA 94104

Silicon Valley Bank
3003 Tasman Drive
Santa Clara, CA 95054
90-4039/1211

06/11/2018

PAY TO THE ORDER OF Culberson County - Allamoore ISD $ **75,000.00**

Seventy Five Thousand Dollars DOLLARS

Culberson County - Allamoore ISD
400 West 7th Street
Van Horn, TX 79855
United States

MEMO **Value Limitation Application Fee - Titan**

AUTHORIZED SIGNATURE

HEAT SENSITIVE

Details on Back. Security Features Included

⑈001047⑈ ⑆121140399⑆ 3302195816⑈

IP Renewable Energy Holdings LLC/548 Market Street, Suite 68743

001047

V0564--Culberson County - Allamoore ISD
Print As: Culberson County - Allamoore ISD

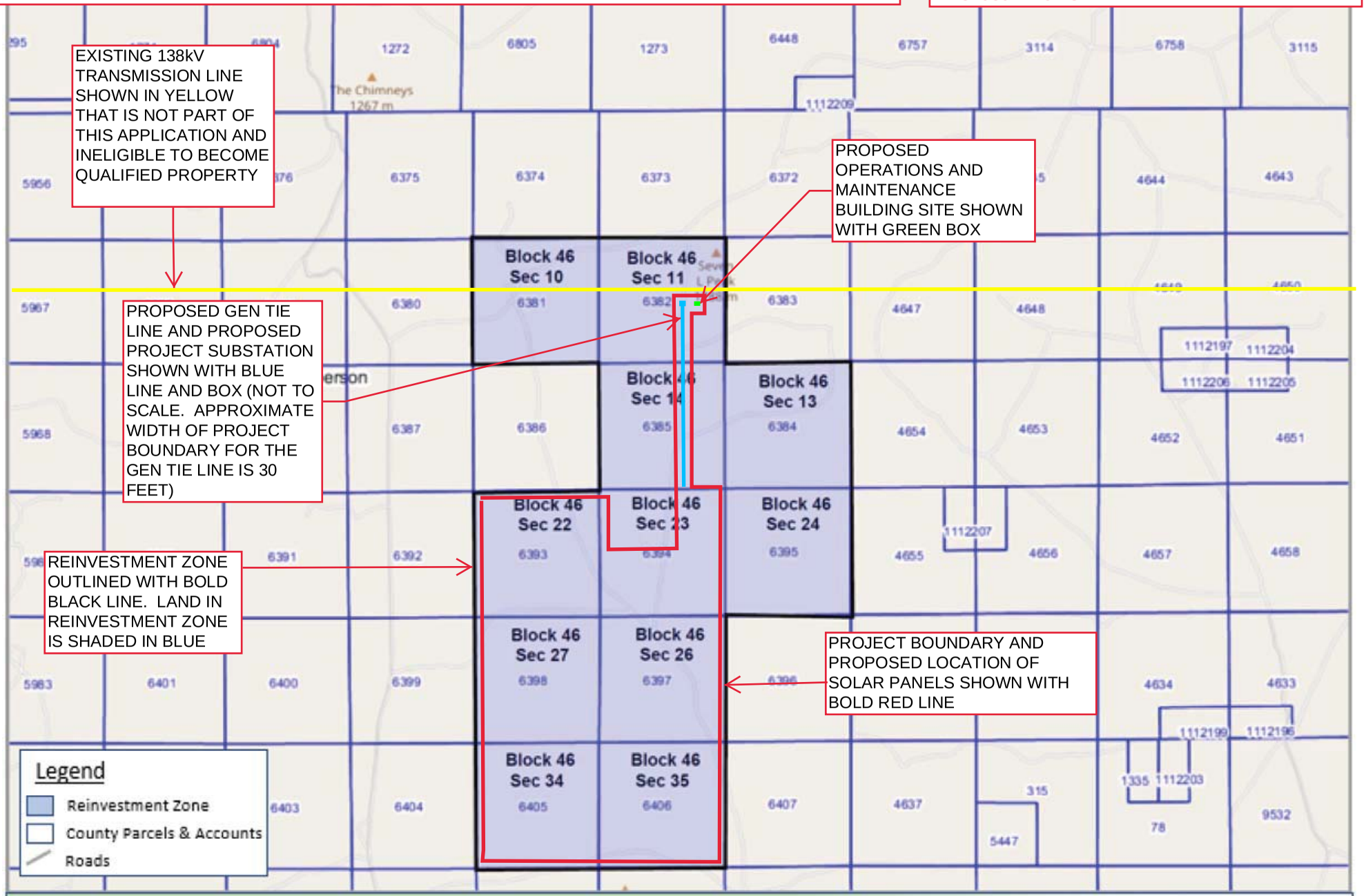
400 West 7th Street
Van Horn, TX 79855

Silicon Valley Bank
SVB 5816 5816
Date: 06/11/2018

Date *Acct*	Bill # *Memo*	Reference Number *Department ID*	*Location*	*Amount Entered*	*Amount Paid*
06/11/2018	2018.06.11 Check 1				
1710--Project Assets	*Value Limitation Application Fee*		*100*	*$75,000.00*	*$75,000.00*
Net Amount:					$75,000.00

IP TITAN, LLC REINVESTMENT ZONE AND APPROXIMATE PROJECT BOUNDARY MAP SHOWING PROPOSED LOCATION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

1267-culberson county-allamoore-IP Titan-amendment 001
Amended 7-19-18



Reinvestment Zone Area Map

Culberson County, Texas

ALL QUALIFIED INVESTMENT AND QUALIFIED PROPERTY IS WHOLLY WITHIN THE REINVESTMENT ZONE

Intersect Power

1267-culberson county-allamoore-
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CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

July 11, 2018

Mr. Ken Baugh, Superintendent
Culberson County - Allamoore Independent School District
400 W. 7th Street
Van Horn, TX 79855

Re: <u>Chapter 313 Job Waiver Request</u>

Dear Mr. Baugh,

IP Titan, LLC requests that the Culberson County - Allamoore 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.

IP Titan, LLC requests that the Culberson County - Allamoore Independent School District make such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, IP Titan, LLC has committed to create 2 total jobs for the project, which will be in Culberson County - Allamoore ISD.

Solar projects create a large number of full and part-time, but temporary jobs during the construction phase of the project but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences. A number of our solar clients have advised that the industry standard for staffing new solar projects is one employee for every 150 megawatts AC of capacity.

The number of jobs specified in this application is in line with the industry standards for a solar farm of this scope and size. This is evidenced by previously filed limitation agreement applications by solar developers who also requested a

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P: 713.266.4456 W: cwlp.net

waiver of the job requirements. In addition, there is publicly available educational material and other documentation that also suggest that IP Titan has the appropriate number of jobs for this project.

Sincerely,

D. Dale Cummings

D. Dale Cummings

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TAB 13 TO CHAPTER 313 APPLICATION

CULBERSON COUNTY - ALLAMOORE ISD - CULBERSON COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	$ 905.00	$ 47,060.00
SECOND	2017	$ 959.00	$ 49,868.00
THIRD	2017	$ 938.00	$ 48,776.00
FOURTH	2017	$ 994.00	$ 51,688.00
	AVERAGE	$ 949.00	$ 49,348.00

CULBERSON COUNTY - ALLAMOORE ISD - CULBERSON COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	*Not applicable*	*Not applicable*
SECOND	2017	*Not applicable*	*Not applicable*
THIRD	2017	*Not applicable*	*Not applicable*
FOURTH	2017	*Not applicable*	*Not applicable*
	AVERAGE	*Not applicable*	*Not applicable*
	X	110%	110%
		Not applicable	*Not applicable*

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Rio Grande	2016	$ 772.85	$ 40,188.00
	X	110%	110%
		$ 850.13	$ 44,206.80

**** SEE ATTACHED TWC DOCUMENTATION***

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Quarterly Employment and Wages (QCEW)

Back

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Culberson County	Total All	00	0	10	Total, all industries	$905
2017	2nd Qtr	Culberson County	Total All	00	0	10	Total, all industries	$959
2017	3rd Qtr	Culberson County	Total All	00	0	10	Total, all industries	$938
2017	4th Qtr	Culberson County	Total All	00	0	10	Total, all industries	$994

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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? 2

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 949.00

   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 850.13

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? 44,206.80

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 44,206.80

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**.

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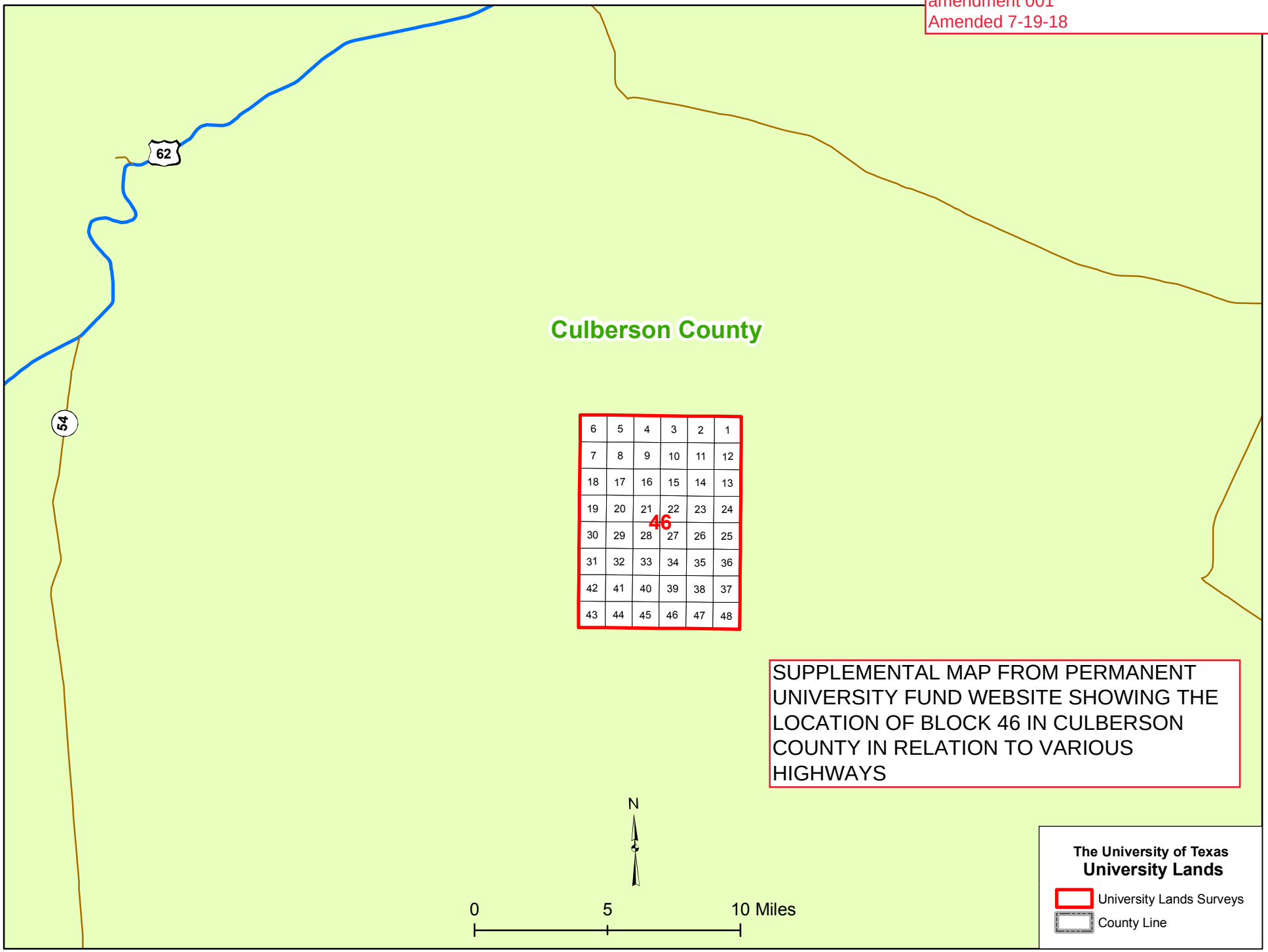

SUPPLEMENTAL MAP FROM PERMANENT UNIVERSITY FUND WEBSITE SHOWING THE LOCATION OF BLOCK 46 IN CULBERSON COUNTY IN RELATION TO VARIOUS HIGHWAYS

TAB 9

Description of Land

Reinvestment Zone Legal Description
Culberson County, Texas

Description	Block	Section
University Lands	46	10
University Lands	46	11
University Lands	46	13
University Lands	46	14
University Lands	46	22
University Lands	46	23
University Lands	46	24
University Lands	46	26
University Lands	46	27
University Lands	46	34
University Lands	46	35

Note: This reinvestment zone will include property for the Applicant, IP Titan, LLC as well as property for another project, IP Aragorn, LLC that is a separate Chapter 313 application to Culberson County-Allamoore ISD.

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*

16 a) Not applicable.

16 b) See legal description below:

Reinvestment Zone Legal Description
Culberson County, Texas

Description	Block	Section
University Lands	46	10
University Lands	46	11
University Lands	46	13
University Lands	46	14
University Lands	46	22
University Lands	46	23
University Lands	46	24
University Lands	46	26
University Lands	46	27
University Lands	46	34
University Lands	46	35

16 c) Culberson County Commissioners Court created the reinvestment zone on July 9,2018. Order creating reinvestment zone is attached.

16 d) See attached Culberson County Tax Abatement Guidelines and Criteria that were adopted on May 21, 2018.

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AN ORDER OF THE COMMISSIONERS COURT OF CULBERSON COUNTY, TEXAS DESIGNATING CERTAIN REAL PROPERTY WITHIN CULBERSON COUNTY AS A REINVESTMENT ZONE UNDER CHAPTER 312 OF THE TEXAS TAX CODE

WHEREAS in accordance with Chapter 312 of the Texas Tax Code and the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones (hereinafter "the Guidelines"), the Commissioners Court of Culberson County has conducted a public hearing on the designation of certain real property within Culberson County, more particularly described as the Culberson County Reinvestment Zone Number 1 with property descriptions contained in Exhibit "A", (hereinafter "the property") as a reinvestment zone under the said chapter; and

WHEREAS Chapter 312 and the Guidelines require that certain findings of fact be entered in order to designate a reinvestment zone;

NOW, THEREFORE, the Commissioners Court of Culberson County, Texas finds as follows with regard to the property:

a) That the applicants have met their burden and demonstrated to this body that the area will reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of Culberson County,
b) That the improvements sought are feasible and practical.
c) That the proposed improvements sought will be a benefit to the property and to Culberson County after the expiration of an agreement entered into under V.T.C.A., Tax Code, Section 312.204.

WHEREAS the Commissioners Court of Culberson County has made the findings of fact necessary to designate the property as a reinvestment zone; and

WHEREAS the Commissioners Court of Culberson County believes such designation to be advantageous to the inhabitants of Culberson County;

It is therefore ORDERED by the Commissioners Court of Culberson County that the said real property within Culberson County described in Exhibit A is hereby designated as a reinvestment zone under Chapter 312 of the Texas Tax Code.

PASSED AND APPROVED on this the 9th day of July, 2018.

County Judge

ATTEST:

County Clerk

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EXHIBIT A

Culberson County Reinvestment Zone Number 1 Legal Description

Culberson County, Texas

Description	Block	Section
University Lands	46	10
University Lands	46	11
University Lands	46	13
University Lands	46	14
University Lands	46	22
University Lands	46	23
University Lands	46	24
University Lands	46	26
University Lands	46	27
University Lands	46	34
University Lands	46	35

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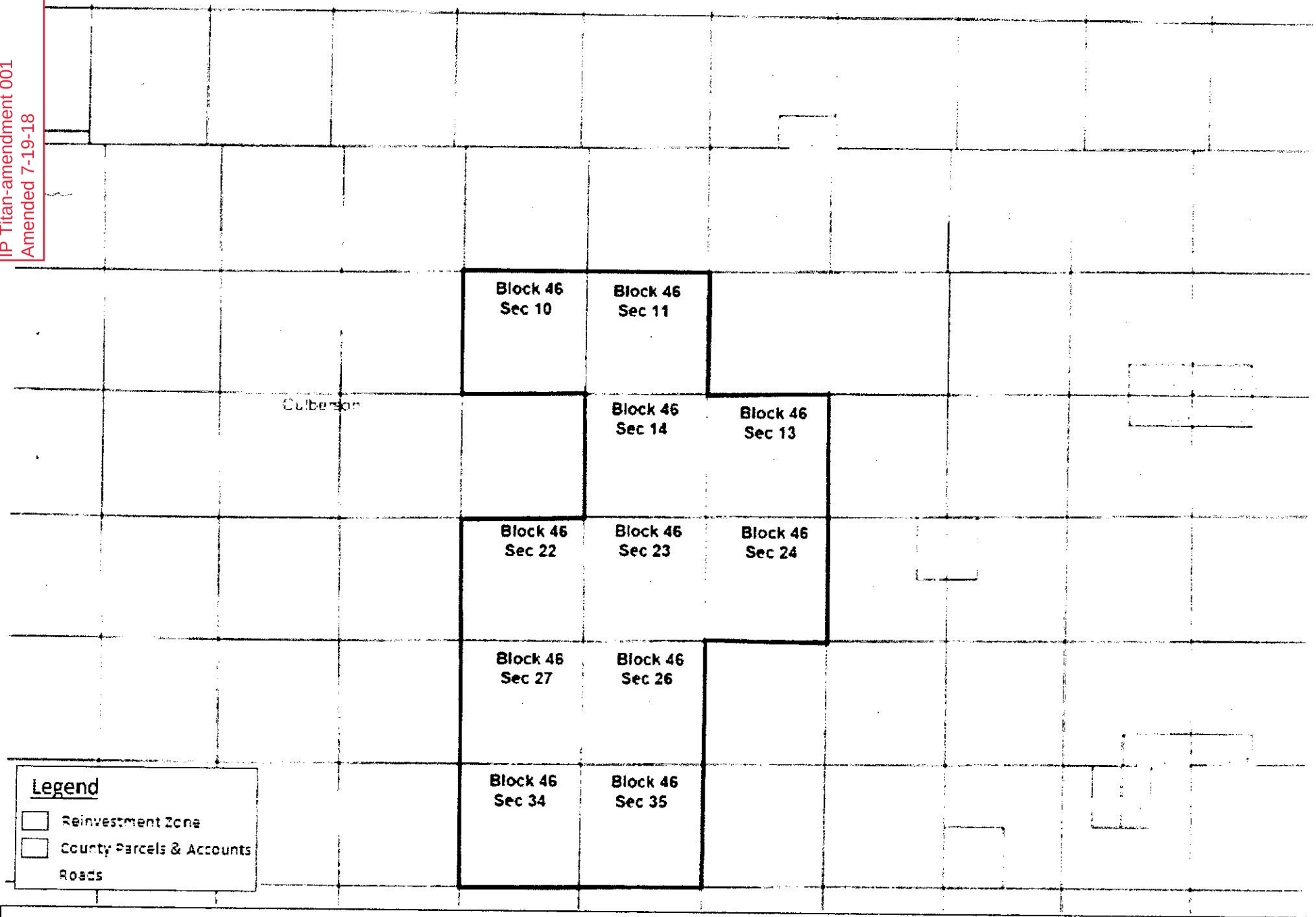

Reinvestment Zone Area Map

Culberson County, Texas

Intersect Power

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 ➧ Ken Baugh
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here ➧ Ken Baugh
Signature *(Authorized School District Representative)*

7-19-18
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 ➧ Lucas Dunnington
Print Name *(Authorized Company Representative (Applicant))*

Chief Operating Officer
Title

sign here ➧
Signature *(Authorized Company Representative (Applicant))*

Date

GIVEN under my hand and seal of office this, the

_____ day of _____, _____

_____
Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires: _____

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.

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 Ken Baugh — Print Name *(Authorized School District Representative)*

Superintendent — Title

sign here Ken Baugh — Signature *(Authorized School District Representative)*

7-19-18 — 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 Lucas Dunnington — Print Name *(Authorized Company Representative (Applicant))*

Chief Operating Officer — Title

sign here _____ — Signature *(Authorized Company Representative (Applicant))*

_____ — Date

GIVEN under my hand and seal of office this, the

_____ day of _____, _____

_____
Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires: _____

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.

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 Ken Baugh — Print Name *(Authorized School District Representative)*

Superintendent — Title

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.

print here Lucas Dunnington — Print Name *(Authorized Company Representative (Applicant))*

Chief Operating Officer — Title

sign here [signature] — Signature *(Authorized Company Representative (Applicant))*

7/18/18 — Date

GIVEN under my hand and seal of office this, the

18th day of JULY, 2018.

R. L

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

(Notary Seal)

My Commission expires: 08/2/18

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.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco

Subscribed ~~and sworn to (or affirmed)~~ before me on this 18th day of JULY 2018, by Lucas Dunnington ~~proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.~~

Signature R. L

R. LOZADA
COMM. #2076678
Notary Public • California
San Francisco County
Comm. Expires Aug 2, 2018