



September 28, 2018

Tabita Collazo, Research Analyst
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 East 17th Street
Austin, Texas 78774

Re: *Application No. 1280 – Childress ISD – Excel Advantage Services, LLC*

Dear Ms. Collazo,

Please find the enclosed, amended application pages from Excel Advantage Services, LLC, (for purposes of this letter, the “Applicant”) which comprise Amendment No. 2 to the application. For purposes of clarity, I hereafter will describe each of the changes both in this Amendment No. 2 as well as the prior amendment, Amendment No. 1, which James Wester, attorney for Childress ISD, submitted to you on September 20, 2018.

Changes Made Via Amendment No. 1

First, the transmittal letter from Mr. Wester’s office properly names the Applicant as “Excel Advantage Services, LLC” in order to correct a prior discrepancy in naming.

Second, the Applicant substituted the prior wire transfer information (which did not make clear the identity of the issuing party) with updated information to evidence the Applicant as the issuer.

Third, as relayed in Mr. Wester’s September 20, 2018, letter, based on information provided by the Applicant, the Applicant stipulates that it marked Section 5, Question 4, as “N/A” since the Applicant is wholly distinct from all other entities and is not a combined group. As such, that question simply is not applicable to the Applicant.

Fourth, the Applicant amended the supplemental information contained as Tab 5 to explain the nature of the prior relationship between the Applicant and Childress Solar Park, LLC, and the termination of that relationship.

Fifth, the Applicant amended Section 9, Question 1, to insert a date of “Q1 2019.” The applicant further amended Section 9, Question 3, to change the date from “January 2019” to “Q1 2019.”

Sixth, the Applicant amended the supplemental information contained as Tab 8 to remove an internal reference to other “tabs” of the application.

Seventh, the Applicant amended the “Request for Waiver of Job Creation Requirement” in order clearly to state an industry standard for (coupled with a method of calculating) the number of jobs relative to the size of the solar facility.

Eighth, the Applicant amended Section 14, Question 2, to insert the year “2018.”

Ninth, the Applicant amended Section 14, Question 4, by changing the number of jobs from “1” to “4.”

Tenth, in light of additional information published by the Texas Workforce Commission (as used in this letter, the “TWC”) regarding first quarter wage for 2018, the Applicant recalculated and amended the numbers listed at Section 14, Question 7, subparts “a,” “b,” and “c.” The Applicant amended subpart “a” to change the wage value from \$623.00 to \$719.75. The Applicant amended subpart “b” to change the wage value from \$448.25 to \$456.14. The Applicant amended subpart “c” to change the wage value from \$1,226.23 to \$1,242.18.

Eleventh, the Applicant amended resulting wage requirements and commitments in Section 14, Questions 9 and 10, each from \$23,309.00 to \$23,719.28 (in light of the recalculations for Section 14, Question 7, subparts “a,” “b,” and “c”).

Twelfth, in support of the aforementioned recalculations for Section 14, Question 7, subparts “a,” “b,” and “c,” the Applicant amended the supplemental information contained as Tab 13. These amendments are:

(A) using wage information (and providing supporting TWC wage data) for the second, third, and fourth quarters of 2017 as well as the first quarter of 2018 for the calculation of the average weekly wages for all jobs in Childress County—note that the original application instead used data from the first through fourth quarters of 2017;

(B) using wage information only for the first, second, and third quarters of 2017 for the calculation of the average weekly wages for manufacturing jobs in Childress County—note that the original application instead included data from the third quarter of 2012 in the calculation; and

(C) using wage information (and providing supporting TWC wage data) for the second, third, and fourth quarters of 2017 as well as the first quarter of 2018 for the calculation of the average weekly wages for manufacturing jobs in the Panhandle Regional Planning Commission (WDA)—note that the original application instead used data from the first through fourth quarters of 2017.

For each of these amendments, the Applicant removed TWC wage data for inapplicable periods and (as appropriate) supplemented with updated wage information.

Thirteenth, the Applicant amended the supplemental information contained as Tab 11 by updating the maps to show the locations of the qualified property.

Fourteenth, the Applicant amended Schedule C by changing the number of new qualifying jobs (listed in “Column D”) from “1 FTE” to “4 FTE.”

Fifteenth, the Applicant amended Schedule D by changing the amounts of tax incentives provided under Chapter 312 as well as clarifying that each of the incentives equated to an 80% abatement.

Sixteenth, the Applicant provided a duly executed Section 16 (signature page) for the Amendment No. 1.

Changes Made Via Amendment No. 2

Via separate amendment as of the date of this letter (Amendment No. 2), the Applicant made the following, additional changes.

Seventeenth, the Applicant amended Section 14, Question 7, subpart “c,” based on wage information released by the TWC, located at <http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf>, for 2017 Manufacturing Average Wages by Council of Government Region.

Eighteenth, the Applicant amended the supplemental information contained as Tab 13 by removing the prior information for average weekly wages for manufacturing in the Panhandle Region and replacing with the information described in the immediately preceding sentence.

Nineteenth, the Applicant further amended the supplemental information contained as Tab 13 by amending the supporting wage data from the TWC from “total all” ownership to “private” ownership with regard to average weekly wage data for manufacturing jobs in Childress County.

Twentieth, the Applicant amended the supplemental information contained as Tab 8 by altering the description of the qualified property.

Twenty-first, the Applicant amended Schedule B to ensure that the property values complied with Texas H.B. No. 2500 (concerning depreciated values).

Twenty-second, the Applicant provided a duly executed Section 16 (signature page) for the Amendment No. 2.

Please let me know if you require any additional information or if I might otherwise be of assistance.

Sincerely,



Philip DeHart

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? 4
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 719.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 456.14
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,040.57
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? 23,719.28
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 23,719.28
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**.

Tab
8

Description of Qualified Property

Misae Solar Park II seeks to build a transmission-grade (i.e. utility-scale), solar photovoltaic (PV) electric generation facility with an approximate nameplate capacity of 515.11 MW (AC). The actual nameplate capacity and specific photovoltaic (or related) technology and components will be finalized during the development process. As currently envisioned, the 515.11 MW (AC) facility would be comprised of qualified property consisting of the following improvements:

- 1,743,590 solar PV modules from Jinko Solar (Model 390-400 Watt, Monocrystalline module, Eagle HC 72-V);
- Medium and high-voltage electricity cables;
- 158 DC-to-AC inverters from Power Electronics, model FS3225M 1500Vdc 3550 KVA integrated solution;
- 1,677 single axis trackers from Grupo Clavijo S.L., model SP1000
- Facility substation and related equipment (i.e. high-voltage transformer, switchgear, telecommunications, and SCADA equipment); and
- Meteorological equipment to measure weather conditions.

Tab
13

Calculation of three possible wage requirements with TWC documentation

**AVERAGE WEEKLY WAGES FOR ALL JOBS / ALL INDUSTRIES
IN CHILDRESS COUNTY
FOUR MOST RECENT QUARTERS**

COUNTY	YEAR	QUARTER	AVG. WEEKLY WAGE
Childress	2018	Q1	\$730
Childress	2017	Q4	\$755
Childress	2017	Q3	\$689
Childress	2017	Q2	\$705
SUM:			\$2,879
CALCULATION:			$\$2,879/4 = \$719.75 \times 1.1 = \text{\$791.73}$

**AVERAGE WEEKLY WAGES FOR MANUFACTURING JOBS
IN CHILDRESS COUNTY
THREE MOST RECENT QUARTERS**

COUNTY	YEAR	QUARTER	AVG. WEEKLY WAGE
Childress	2017	Q3	\$449
Childress	2017	Q2	\$427
Childress	2017	Q1	\$368
SUM:			\$1,244
CALCULATION:			$\$1,244/3 = \$414.67 \times 1.1 = \text{\$456.14}$

Average weekly wage data for manufacturing jobs in Childress County is not available through the Texas Workforce Commission or its related www.tracer2.com website for Q1 2018, Q4 2017, or for any period prior to Q1 2017 but after Q3 2012.

**AVERAGE WEEKLY WAGES FOR MANUFACTURING JOBS
IN PANHANDLE REGIONAL PLANNING COMMISSION (WDA)
FOUR MOST RECENT QUARTERS**

REGION	YEAR	QUARTER	AVG. WEEKLY WAGE
Panhandle	2017	Q1 – Q4	$\$49,190 / 52 \text{ (weeks)} = \945.97
CALCULATION:			$\$945.97 \times 1.1 = \text{\$1,040.57}$

Quarterly Employment and Wages (QCEW)

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						Ind Code	Industry	Avg Weekly Wages
2017	4th Qtr	Childress County	Total All	00	0	10	Total, all industries	\$755
2017	2nd Qtr	Childress County	Total All	00	0	10	Total, all industries	\$705
2017	3rd Qtr	Childress County	Total All	00	0	10	Total, all industries	\$689

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							Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Childress County	Total All	00	0	10	Total, all industries					\$730

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Quarterly Employment and Wages (QCEW)

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 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
								
2017	3rd Qtr	Childress County	Private	31	2	31-33	Manufacturing	\$449
2017	2nd Qtr	Childress County	Private	31	2	31-33	Manufacturing	\$427
2017	1st Qtr	Childress County	Private	31	2	31-33	Manufacturing	\$368

**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.

Source: <https://tracer2.com/admin/uploadedPublications/COGWages.pdf>

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)
Excel Advantage Services, LLC
Childress ISD

Amendment No. 2 – 09/28/2018

Date
 Applicant Name
 ISD Name

Form 50-296A
 Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property			Estimated Taxable Value		
				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	
0	2019-2020	2019	0	0	0	0	0	0	
0	2020-2021	2020	0	500,000	26,315,000	26,815,000	26,815,000	26,815,000	
1	2021-2022	2021	0	483,333	535,800,000	536,283,333	536,283,333	20,000,000	
2	2022-2023	2022	0	466,667	492,936,000	493,402,667	493,402,667	20,000,000	
3	2023-2024	2023	0	450,000	450,072,000	450,522,000	450,522,000	20,000,000	
4	2024-2025	2024	0	433,333	407,208,000	407,641,333	407,641,333	20,000,000	
5	2025-2026	2025	0	416,667	364,344,000	364,760,667	364,760,667	20,000,000	
6	2026-2027	2026	0	400,000	321,480,000	321,880,000	321,880,000	20,000,000	
7	2027-2028	2027	0	383,333	278,616,000	278,999,333	278,999,333	20,000,000	
8	2028-2029	2028	0	366,667	235,752,000	236,118,667	236,118,667	20,000,000	
9	2029-2030	2029	0	350,000	192,888,000	193,238,000	193,238,000	20,000,000	
10	2030-2031	2030	0	333,333	150,024,000	150,357,333	150,357,333	20,000,000	
11	2031-2032	2031	0	316,667	107,160,000	107,476,667	107,476,667	107,476,667	
12	2032-2033	2032	0	300,000	107,160,000	107,460,000	107,460,000	107,460,000	
13	2033-2034	2033	0	283,333	107,160,000	107,443,333	107,443,333	107,443,333	
14	2034-2035	2034	0	266,667	107,160,000	107,426,667	107,426,667	107,426,667	
15	2035-2036	2035	0	250,000	107,160,000	107,410,000	107,410,000	107,410,000	
16	2036-2037	2036	0	233,333	107,160,000	107,393,333	107,393,333	107,393,333	
17	2037-2038	2037	0	216,667	107,160,000	107,376,667	107,376,667	107,376,667	
18	2038-2039	2038	0	200,000	107,160,000	107,360,000	107,360,000	107,360,000	
19	2039-2040	2039	0	183,333	107,160,000	107,343,333	107,343,333	107,343,333	
20	2040-2041	2040	0	166,667	107,160,000	107,326,667	107,326,667	107,326,667	
21	2041-2042	2041	0	150,000	107,160,000	107,310,000	107,310,000	107,310,000	
22	2042-2043	2042	0	133,333	107,160,000	107,293,333	107,293,333	107,293,333	
23	2043-2044	2043	0	116,667	107,160,000	107,276,667	107,276,667	107,276,667	
24	2044-2045	2044	0	100,000	107,160,000	107,260,000	107,260,000	107,260,000	
25	2045-2046	2045	0	100,000	107,160,000	107,260,000	107,260,000	107,260,000	

Value Limitation Period

Continue to maintain
viable presence

Additional years for
25 year economic impact
as required by
313.026(c)(1)

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.

Tab
17

Signature and Certification Page

See attached.

Texas Comptroller of Public Accounts

These Applications and
Transmittals are
Form 30-298-01

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 Rick Teran Superintendent
Print Name (Authorized School District Representative) Title

sign here [Signature] 10-2-18
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 Miguel Oneto Manager
Print Name (Authorized Company Representative (Applicant)) Title

sign here [Signature] October 2, 2018
Signature (Authorized Company Representative (Applicant)) Date

GIVEN under my hand and seal of office this, the

2 day of October, 2018

Daniel Otter
Notary Public in and for the State of Texas Florida

My Commission expires 5-15-2020



Daniel J. Otter
Commission # FF970253
Expires: May 15, 2020
Bonded thru Aaron Notary

(Notary Seal)

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.