

# O'HANLON, DEMERATH & CASTILLO

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December 11, 2018

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

RE: 1306-2<sup>nd</sup> Amended Application to the Fort Stockton Independent School District from  
Taygete Energy Project, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is the 2<sup>nd</sup> amended application to the Fort Stockton ISD from Taygete. The following changes have been made:

1. Updated QTP's on Schedules A1, A2 and B
2. Updated Limitation on Schedule B
3. New Signature Page

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

Sincerely,



Kevin O'Hanlon  
School District Consultant

Cc: Pecos County Appraisal District  
Taygete Energy Project, LLC

Texas Comptroller of Public Accounts

**SECTION 9: Projected Timeline**

- 1. Application approval by school board ..... 9/2018
- 2. Commencement of construction ..... 12/2019
- 3. Beginning of qualifying time period ..... 12/01/2019
- 4. First year of limitation ..... 2021
- 5. Begin hiring new employees ..... 12/2019
- 6. Commencement of commercial operations ..... 2/2021
- 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? ..... 01/2021

**SECTION 10: The Property**

- 1. Identify county or counties in which the proposed project will be located ..... Pecos County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ..... Pecos 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: Pecos County, \$0.7990, 100% City: \_\_\_\_\_  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)  
 Hospital District: \_\_\_\_\_ Water District: Middle Pecos Gr'dwater District, \$0.0249, 100%  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)  
 Other (describe): Midland College, \$0.0345, 100% Other (describe): \_\_\_\_\_  
(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 [comptroller.texas.gov/economy/local/ch313/](http://comptroller.texas.gov/economy/local/ch313/).

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... 30,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? ..... 30,000,000.00  
**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

Date 9/21/2018  
 Applicant Name Taygete Energy Project, LLC  
 ISD Name Fort Stockton

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

1306-fortstockton-taygete-amendment002  
 December 11, 2018

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 <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> 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)		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 final board approval of application and before Jan. 1 of first complete tax year of qualifying time period			2018	0	0	0		0
Complete tax years of qualifying time period	QTP1	2019-2020	2019	0	0	0	0	0
	QTP2	2020-2021	2020	263,000,000	250,000	0	0	263,250,000
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				263,000,000	250,000	0	0	263,250,000
				<b>Enter amounts from TOTAL row above in Schedule A2</b>				
<b>Total Qualified Investment (sum of green cells)</b>				263,250,000				

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.

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

Date 9/21/2018  
Applicant Name Taygete Energy Project, LLC  
ISD Name Fort Stockton ISD

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 <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other investment made during this year that will <b>not</b> 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** <i>Insert as many rows as necessary</i>	0	2018-2019	2018	0	0	0	0	0
	0	2019-2020	2019	0	0	0	0	0
	0	2020-2021	2020	263,000,000	250,000	0	0	263,250,000
Value limitation period***	1	2021-2022	2021	0	0	3,267,000	0	3,267,000
	2	2022-2023	2022	0	0	3,335,400	0	3,335,400
	3	2023-2024	2023	0	0	3,402,226	0	3,402,226
	4	2024-2025	2024	0	0	3,470,270	0	3,470,270
	5	2025-2026	2025	0	0	3,539,676	0	3,539,676
	6	2026-2027	2026	0	0	4,231,933	0	4,231,933
	7	2027-2028	2027	0	0	4,316,572	0	4,316,572
	8	2028-2029	2028	0	0	4,402,903	0	4,402,903
	9	2029-2030	2029	0	0	4,490,961	0	4,490,961
	10	2030-2031	2030	0	0	4,580,780	0	4,580,780
<b>Total Investment made through limitation</b>				263,000,000	250,000	39,037,721	0	302,287,721
Continue to maintain viable presence	11	2031-2032	2031			4,672,396		4,672,396
	12	2032-2033	2032			4,765,844		4,765,844
	13	2033-2034	2033			4,861,161		4,861,161
	14	2034-2035	2034			4,958,384		4,958,384
	15	2035-2036	2035			5,057,552		5,057,552
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036			5,158,703		5,158,703
	17	2037-2038	2037			5,261,877		5,261,877
	18	2038-2039	2038			5,367,114		5,367,114
	19	2039-2040	2039			5,474,456		5,474,456
	20	2040-2041	2040			5,583,946		5,583,946
	21	2041-2042	2041			5,695,624		5,695,624
	22	2042-2043	2042			5,809,537		5,809,537
	23	2043-2044	2043			5,925,728		5,925,728
	24	2044-2045	2044			6,044,242		6,044,242
	25	2045-2046	2045			6,165,127		6,165,127

\* 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

\*\*\* 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

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)**

1306-fortstockton-taygete-amendment002

December 11, 2018

Date

9/21/2018

Applicant Name

Taygete Energy Project, LLC

Form 50-296A

ISD Name

Fort Stockton ISD

Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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
	0	2019-2020	2019	0	0	0	0	0	0
	0	2020-2021	2020	0	0	0	0	0	0
Value Limitation Period	1	2021-2022	2021	0	250,000	263,000,000	263,250,000	263,250,000	30,000,000
	2	2022-2023	2022	0	237,500	223,550,000	223,787,500	223,787,500	30,000,000
	3	2023-2024	2023	0	225,625	190,017,500	190,243,125	190,243,125	30,000,000
	4	2024-2025	2024	0	214,344	161,514,875	161,729,219	161,729,219	30,000,000
	5	2025-2026	2025	0	203,627	137,287,644	137,491,270	137,491,270	30,000,000
	6	2026-2027	2026	0	193,445	116,694,497	116,887,942	116,887,942	30,000,000
	7	2027-2028	2027	0	183,773	99,190,323	99,374,096	99,374,096	30,000,000
	8	2028-2029	2028	0	174,584	84,311,774	84,486,359	84,486,359	30,000,000
	9	2029-2030	2029	0	165,855	71,665,008	71,830,863	71,830,863	30,000,000
	10	2030-2031	2030	0	157,562	60,915,257	61,072,819	61,072,819	30,000,000
Continue to maintain viable presence	11	2031-2032	2031	0	149,684	52,600,000	52,749,684	52,749,684	52,742,200
	12	2032-2033	2032	0	142,200	52,600,000	52,742,200	52,742,200	52,735,090
	13	2033-2034	2033	0	135,090	52,600,000	52,735,090	52,735,090	52,728,336
	14	2034-2035	2034	0	128,336	52,600,000	52,728,336	52,728,336	52,721,919
	15	2035-2036	2035	0	121,919	52,600,000	52,721,919	52,721,919	52,715,823
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	0	115,823	52,600,000	52,715,823	52,715,823	52,710,032
	17	2037-2038	2037	0	110,032	52,600,000	52,710,032	52,710,032	52,704,530
	18	2038-2039	2038	0	104,530	52,600,000	52,704,530	52,704,530	52,699,304
	19	2039-2040	2039	0	99,304	52,600,000	52,699,304	52,699,304	52,694,338
	20	2040-2041	2040	0	94,338	52,600,000	52,694,338	52,694,338	52,689,621
	21	2041-2042	2041	0	89,621	52,600,000	52,689,621	52,689,621	52,685,140
	22	2042-2043	2042	0	85,140	52,600,000	52,685,140	52,685,140	52,680,883
	23	2043-2044	2043	0	80,883	52,600,000	52,680,883	52,680,883	52,676,839
	24	2044-2045	2044	0	76,839	52,600,000	52,676,839	52,676,839	52,672,997
	25	2045-2046	2045	0	72,997	52,600,000	52,672,997	52,672,997	52,672,997

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

Ralph Traynham

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

*Ralph Traynham*  
Signature (Authorized School District Representative)

12-10-2018  
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

Scott Pryor

Print Name (Authorized Company Representative (Applicant))

Chief Development Officer

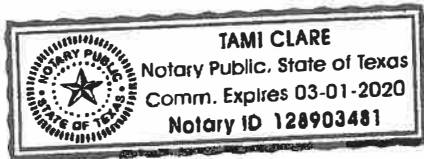
Title

sign here

*Scott Pryor*  
Signature (Authorized Company Representative (Applicant))

12/04/2018

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

4<sup>th</sup> day of December, 2018

*Tami Clare*  
Notary Public in and for the State of Texas

My Commission expires: 3-1-20

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.