

Agreement#1344_Paint Rock ISD_225DD 8me, LLC_Amendment Three_8-25-2020
O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
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September 16, 2020

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

RE: Amendment003 Agreement Execution002 to Paint Rock Independent School District School District from 225DD 8me LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Amendment003 Agreement Execution002 to Paint Rock Independent School District School District from 225DD 8me LLC. The following changes have been made:

1. Updated Projected Timeline
 - First Year of Limitation to 2022
 - Updated beginning of QTP to September 9, 2019
 - Commencement of Construction to October 1, 2020
 - Commencement of commercial operations to October 1, 2021
 - Buildings placed in service to October 1, 2021
2. Updated Schedules

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Concho County Appraisal District
225DD 8me LLC



8minute Solar Energy LLC • 5455 Wilshire Blvd., Suite 2010 • Los Angeles, CA 90036

August 27, 2020

Mr. Ron Cline
Superintendent
Paint Rock ISD
PO Box 277
Paint Rock, Texas 76866

Request For Amendment

RE: Value Limitation Agreement between Paint Rock Independent School District and 225 DD 8me, LLC (#1344)

Dear Mr. Cline:

I'm writing to respectfully request an amendment to our Agreement for Limitation on Appraised Value of Property ("313 Agreement") with the Paint Rock ISD.

In short, the 313 Agreement needs to be amended to comply with the Section 313 provisions, which provide for specific dates when the Tax Limitation Period may commence. Since completion of the project is now slated for 2021, the beginning of the Tax Limitation Period needs to be pushed back from January 1, 2021 to January 1, 2022.

This delay has been caused by the COVID-19 pandemic, which has given rise to some supply chain and financing challenges.

Should you have any questions or require any additional information please contact me at dnelson@8minute.com or at (415) 309-5383.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Nelson', written over the word 'Sincerely,'.

Daniel Nelson
Vice President, Tax

Enclosures
As stated

CC: Kevin O'Hanlon, School District Counsel, O'HANLON, DEMERATH & CASTILLO
Mike Fry, KE Andrews Inc.



Tab 1: Page 5

SECTION 9: Projected Timeline

- 1. Application approval by school board September 9, 2019
- 2. Commencement of construction October 1, 2020
- 3. Beginning of qualifying time period September 9, 2019
- 4. First year of limitation January 1, 2022
- 5. Begin hiring new employees March 1, 2021
- 6. Commencement of commercial operations October 1, 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? October 1, 2021

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Concho County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Concho 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: <u>Concho Co. ; .789069, 100%</u> <i>(Name, tax rate and percent of project)</i>	City: <u>NA</u> <i>(Name, tax rate and percent of project)</i>
Hospital District: <u>Concho Co. Hsp. Distr. ; .275, 100%</u> <i>(Name, tax rate and percent of project)</i>	Water District: <u>Lipan Kickapoo, .0103, 100%</u> <i>(Name, tax rate and percent of project)</i>
Other (describe): <u>N/A</u> <i>(Name, tax rate and percent of project)</i>	Other (describe): <u>NA</u> <i>(Name, tax rate and percent of project)</i>
- 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



**Tab 14: Schedules A1, A2, B & C completed and signed
Economic Impact (if applicable)**

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

Date **8/25/2020**
 Applicant Name **23500 8me, LLC**
 ISD Name **Paint Rock ISD**

Agreement #1344_Paint Rock ISD_23500 8me, LLC_Amendment Three_8-25-2020

Form 60-296A
 Revised February 2018

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	Column B	Column C	Column D	Column E		
			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 not 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			Not eligible to become Qualified Property				[For only other investments that are before filing complete application should be included to ensure Qualified Property is being]		
Investment made after filing complete application with district, but before final board approval of application	-	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)							
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	GTP1	2020-2021	2020	\$ 110,000,000.00				\$ 110,000,000.00	
	GTP2	2021-2022	2021	\$ 120,000,000.00	\$ 500,000.00			\$ 120,500,000.00	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 230,000,000.00	\$ 500,000.00			\$ 230,500,000.00	
Total Qualified Investment (sum of green cells)				\$ 230,500,000.00				\$ 230,500,000.00	

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 8/25/2020
 Applicant Name ZSDO Bme, LLC
 ISD Name Paint Rock ISD

Agreement #1344_Part Rock ISD_ZSDO Bme LLC Amendment Three_8-25-2020

Form 50-2164
 Revised February 2018

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 (File 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 not 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*	--	TOTAL \$ FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below					
			\$ 230,000,000.00	\$ 500,000.00			\$ 230,500,000.00		
Each year prior to start of value limitation period	0	2018-2020	2019						
Each year prior to start of value limitation period	0	2020-2021	2020	\$ 110,000,000.00			\$ 110,000,000.00		
Each year prior to start of value limitation period	0	2021-2022	2021	\$ 120,000,000.00	\$ 500,000.00		\$ 120,500,000.00		
Value limitation period***	1	2022-2023	2022						
	2	2023-2024	2023						
	3	2024-2025	2024						
	4	2025-2026	2025						
	5	2026-2027	2026						
	6	2027-2028	2027						
	7	2028-2029	2028						
	8	2029-2030	2029						
	9	2030-2031	2030						
	10	2031-2032	2031						
Total Investment made through limitation			\$ 230,000,000.00	\$ 500,000.00			\$ 230,500,000.00		
Continue to maintain viable presence	11	2032-2033	2032			\$ 1,400,000.00	\$ 1,400,000.00		
	12	2033-2034	2033			\$ 1,400,000.00	\$ 1,400,000.00		
	13	2034-2035	2034			\$ 1,400,000.00	\$ 1,400,000.00		
	14	2035-2036	2035			\$ 1,400,000.00	\$ 1,400,000.00		
	15	2036-2037	2036			\$ 1,400,000.00	\$ 1,400,000.00		
Additional years for 25 year economic impact as required by 313.028(c)(1)	16	2037-2038	2037			\$ 1,400,000.00	\$ 1,400,000.00		
	17	2038-2039	2038			\$ 1,400,000.00	\$ 1,400,000.00		
	18	2039-2040	2039			\$ 1,400,000.00	\$ 1,400,000.00		
	19	2040-2041	2040			\$ 1,400,000.00	\$ 1,400,000.00		
	20	2041-2042	2041			\$ 1,400,000.00	\$ 1,400,000.00		
	21	2042-2043	2042			\$ 1,400,000.00	\$ 1,400,000.00		
	22	2043-2044	2043			\$ 1,400,000.00	\$ 1,400,000.00		
	23	2044-2045	2044			\$ 1,400,000.00	\$ 1,400,000.00		
	24	2045-2046	2045			\$ 1,400,000.00	\$ 1,400,000.00		
	25	2046-2047	2046			\$ 1,400,000.00	\$ 1,400,000.00		

* 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 8/25/2020
 Applicant Name 225DD 8me, LLC
 ISD Name Paint Rock ISD

Agreement #1344_Paint Rock ISD_225DD 8me, LLC_Amendment Three_8-25-2020

Form 50-296A
 Revised February 2020

	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	0	2019-2020	2019						
Each year prior to start of Value Limitation Period	0	2020-2021	2020						
Each year prior to start of Value Limitation Period	0	2021-2022	2021			\$ 55,000,000.00	\$ 55,000,000.00	\$ 55,000,000.00	\$ 55,000,000.00
Value Limitation Period	1	2022-2023	2022		\$ 500,000.00	\$ 207,000,000.00	\$ 207,500,000.00	\$ 207,500,000.00	\$ 20,000,000.00
	2	2023-2024	2023		\$ 485,000.00	\$ 186,300,000.00	\$ 186,785,000.00	\$ 186,785,000.00	\$ 20,000,000.00
	3	2024-2025	2024		\$ 470,000.00	\$ 165,600,000.00	\$ 166,070,000.00	\$ 166,070,000.00	\$ 20,000,000.00
	4	2025-2026	2025		\$ 455,000.00	\$ 144,900,000.00	\$ 145,355,000.00	\$ 145,355,000.00	\$ 20,000,000.00
	5	2026-2027	2026		\$ 440,000.00	\$ 124,200,000.00	\$ 124,640,000.00	\$ 124,640,000.00	\$ 20,000,000.00
	6	2027-2028	2027		\$ 425,000.00	\$ 103,500,000.00	\$ 103,925,000.00	\$ 103,925,000.00	\$ 20,000,000.00
	7	2028-2029	2028		\$ 410,000.00	\$ 82,800,000.00	\$ 83,210,000.00	\$ 83,210,000.00	\$ 20,000,000.00
	8	2029-2030	2029		\$ 395,000.00	\$ 62,100,000.00	\$ 62,495,000.00	\$ 62,495,000.00	\$ 20,000,000.00
	9	2030-2031	2030		\$ 380,000.00	\$ 41,400,000.00	\$ 41,780,000.00	\$ 41,780,000.00	\$ 20,000,000.00
	10	2031-2032	2031		\$ 365,000.00	\$ 41,400,000.00	\$ 41,765,000.00	\$ 41,765,000.00	\$ 20,000,000.00
Continue to maintain viable presence	11	2032-2033	2032		\$ 350,000.00	\$ 41,400,000.00	\$ 41,750,000.00	\$ 41,750,000.00	\$ 41,750,000.00
	12	2033-2034	2033		\$ 335,000.00	\$ 41,400,000.00	\$ 41,735,000.00	\$ 41,735,000.00	\$ 41,735,000.00
	13	2034-2035	2034		\$ 320,000.00	\$ 41,400,000.00	\$ 41,720,000.00	\$ 41,720,000.00	\$ 41,720,000.00
	14	2035-2036	2035		\$ 305,000.00	\$ 41,400,000.00	\$ 41,705,000.00	\$ 41,705,000.00	\$ 41,705,000.00
	15	2036-2037	2036		\$ 290,000.00	\$ 41,400,000.00	\$ 41,690,000.00	\$ 41,690,000.00	\$ 41,690,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037		\$ 275,000.00	\$ 41,400,000.00	\$ 41,675,000.00	\$ 41,675,000.00	\$ 41,675,000.00
	17	2038-2039	2038		\$ 260,000.00	\$ 41,400,000.00	\$ 41,660,000.00	\$ 41,660,000.00	\$ 41,660,000.00
	18	2039-2040	2039		\$ 245,000.00	\$ 41,400,000.00	\$ 41,645,000.00	\$ 41,645,000.00	\$ 41,645,000.00
	19	2040-2041	2040		\$ 230,000.00	\$ 41,400,000.00	\$ 41,630,000.00	\$ 41,630,000.00	\$ 41,630,000.00
	20	2041-2042	2041		\$ 215,000.00	\$ 41,400,000.00	\$ 41,615,000.00	\$ 41,615,000.00	\$ 41,615,000.00
	21	2042-2043	2042		\$ 200,000.00	\$ 41,400,000.00	\$ 41,600,000.00	\$ 41,600,000.00	\$ 41,600,000.00
	22	2043-2044	2043		\$ 185,000.00	\$ 41,400,000.00	\$ 41,585,000.00	\$ 41,585,000.00	\$ 41,585,000.00
	23	2044-2045	2044		\$ 170,000.00	\$ 41,400,000.00	\$ 41,570,000.00	\$ 41,570,000.00	\$ 41,570,000.00
	24	2045-2046	2045		\$ 155,000.00	\$ 41,400,000.00	\$ 41,555,000.00	\$ 41,555,000.00	\$ 41,555,000.00
	25	2046-2047	2046		\$ 140,000.00	\$ 41,400,000.00	\$ 41,540,000.00	\$ 41,540,000.00	\$ 41,540,000.00

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 8/25/2020
 Applicant Name 225DD 8me, LLC
 ISD Name Paint Rock ISD

Agreement #1344_Paint Rock ISD_225DD 8me, LLC_Amendment Three_8-25-2020

Form 50-296A
 Revised February 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTE's	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)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2019-2020	2019					
Each year prior to start of Value Limitation Period	0	2020-2021	2020	500 FTE	\$ 45,016.40		0	
Each year prior to start of Value Limitation Period	0	2021-2022	2021	500 FTE	\$ 45,016.40		2	\$ 45,016.40
Value Limitation Period <i>The qualifying time period could overlap the value limitation period</i>	1	2022-2023	2022				2	\$ 45,016.40
	2	2023-2024	2023				2	\$ 45,016.40
	3	2024-2025	2024				2	\$ 45,016.40
	4	2025-2026	2025				2	\$ 45,016.40
	5	2026-2027	2026				2	\$ 45,016.40
	6	2027-2028	2027				2	\$ 45,016.40
	7	2028-2029	2028				2	\$ 45,016.40
	8	2029-2030	2029				2	\$ 45,016.40
	9	2030-2031	2030				2	\$ 45,016.40
	10	2031-2032	2031				2	\$ 45,016.40
Years Following Value Limitation Period	11 through 25	2032-2046	2032-2046				2	\$ 45,016.40

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



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Tab 17: Signature and Certification Page, Signed and Dated by
Authorized School District Representative and Authorized
Company Representative (applicant)

AUSTIN • DALLAS • DENVER

1900 DALROCK ROAD • ROWLETT, TX 75088 • T (469) 298-1594 • F (469) 298-1595 • keatax.com

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.

Signature form for Ron Cline, Superintendent, Paint Rock ISD, dated 9/16/2020.

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.

Signature form for Joshua Goldstein, Authorized Signatory, dated August 25, 2020.

GIVEN under my hand and seal of office this, the ... day of ... Notary Public in and for the State of Texas. My Commission expires: ... attached

(Notary Seal)

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.

ACKNOWLEDGMENT

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

On August 25, 2020 before me, Brittany Edwards, Notary Public
(insert name and title of the officer)

personally appeared Joshua Goldstein
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~they executed the same in his/~~her~~their authorized capacity(ies), and that by his/~~her~~their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature *Brittany Edwards* (Seal)