
SARA LEON
& ASSOCIATES, LLC

May 31, 2019

Via Hand Delivery

Michelle Luera
Senior Research Analyst
Data Analysis and Transparency Division
Texas Comptroller of Public Accounts
111 East 17th Street
Austin, Texas 78774

Re: Application #1364 for a Chapter 313 Value Limitation Agreement between the Abbott Independent School District and Sun Valley Solar, LLC

Dear Ms. Luera:

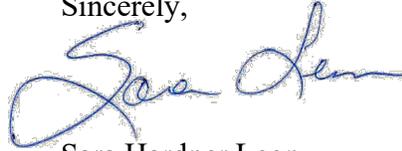
Please find enclosed a hardcopy and digital copy of Amendment #001 to the above-referenced Application. Changes to the original Application are as follows:

1. **Section 1:** School District Consultant updated
2. **Section 5:** Applicant Business Structure: Question 4: Updated to “N/A”
3. **Section 9:** Projected Timeline: Question 5: Updated to January 1, 2021 in section 9 and revised Tabs 4, 7, and 8
4. **Section 9:** Projected Timeline: Question 6: Updated to December 31, 2020
5. **Section 14:** Wage and Employment Information: 7a. Updated to reflect newly released wages, 7b. Updated to reflect newly released wages and updated Tab 13 to correct 2018 Q2 weekly wage to \$767 and added newly released wages for 2018 Q4.
6. **Tab 2:** Proof of payment included
7. **Tab 5:** Updated to include how limitation is a determining factor
8. **Tab 11:** Site schematic included
9. **Tab 14:** Schedule A2: Corrected to show a total of \$187,500,000 and Schedule D: Corrected to show abatement beginning 2021
10. **Tab 16:** Hill County Tax Abatement Guidelines and Criteria included
11. **Tab 17:** Add original application signature pages to application (they were missing from electronic copy) AND add the new signature page for the amended application

Page 2

Thank you for your consideration to the foregoing. Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sara Leon". The signature is fluid and cursive, with a large initial "S" and a long horizontal stroke at the end.

Sara Hardner Leon
7500 Rialto Blvd.
Building 1, Suite 250
Austin, TX 78735

SECTION 1: School District Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

First Name Last Name

Title

Firm Name

Phone Number Fax Number

Mobile Number *(optional)* Email Address

4. On what date did the district determine this application complete?

5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name Last Name

Title Organization

Street Address

Mailing Address

City State ZIP

Phone Number Fax Number

Mobile Number *(optional)* Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No

2a. If yes, please fill out contact information for that person.

First Name Last Name

Title Organization

Street Address

Mailing Address

City State ZIP

Phone Number Fax Number

Mobile Number *(optional)* Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name Last Name

Title

Firm Name

Phone Number Fax Number

Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in Tab 2 proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A

3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made?

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits)

3. List the NAICS code

4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No

4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc)

2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No

2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

3. Is the applicant current on all tax payments due to the State of Texas? Yes No

4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A

5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in Tab 3)

Empty text box for explanation of tax delinquencies or litigation.

SECTION 9: Projected Timeline

- 1. Application approval by school board
2. Commencement of construction
3. Beginning of qualifying time period
4. First year of limitation
5. Begin hiring new employees
6. Commencement of commercial operations
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)?
8. When do you anticipate the new buildings or improvements will be placed in service?

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property
3. Will this CAD be acting on behalf of another CAD to appraise this property?
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
5. Is the project located entirely within the ISD listed in Section 1?
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)?

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.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district?
2. What is the amount of appraised value limitation for which you are applying?
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)?
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
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?

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)?
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of _____
(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)?

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?
5. What is the number of new non-qualifying jobs you are estimating you will create?
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
 - b. 110% of the average weekly wage for manufacturing jobs in the county is
 - c. 110% of the average weekly wage for manufacturing jobs in the region is
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?
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
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 2

Proof of Payment Application Fee

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public
Accounts)*



Tab 4

Detailed Description of the Project

Attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Sun Valley Solar, LLC requests an appraised value limitation from Abbott Independent School District. Alpin Sun is proposing to construct a solar electric generating facility in Hill County, Texas. The facility, which will encompass approximately 2,596 acres, will be located in the southern portion of the county. Additionally, the entirety of the project will be within Abbott Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 250 MW-AC and will feature 410,959 photovoltaic panels, and 51 central inverters.

Sun Valley Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

Sun Valley Solar, LLC is a solar energy project managed by global renewable energy company, Alpin Sun. Headquartered in Germany, but with offices and projects around the globe, Alpin Sun specializes in the development and management of solar power plants and has been a successful investor in the renewable energy industry since 2003. Alpin Sun is managed by a team of experienced individuals dedicated to the future of renewable energy. They are eager to continue their development of projects within the United States and are committed to building quality stakeholder relationships in the communities they choose to invest.



Tab 5

Limitation as a Determining Factor

Currently, Alpin Sun is considering a variety of other locations for Sun Valley Solar, LLC but believes Abbott ISD would be an ideal location for this solar facility. Due to the global nature of Alpin Sun, there are locations across the world and other parts of the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, Alpin Sun will could relocate Sun Valley Solar, LLC to another area more financially viable for the continuation of this project. Other areas being considered include Pennsylvania, and sites where Alpin Sun both currently and previously has managed and developed renewable energy projects such as the United Kingdom, Belgium, Germany, Romania, Spain, and Chile. Unfortunately, relocating the project would dismiss Abbott ISD from receiving the economic benefits associated with the development of a solar facility within their jurisdiction. It is our goal to reach a 313 value limitation agreement for Sun Valley Solar, LLC for the benefit of both Abbott ISD and Alpin Sun.

Alpin Sun is constantly evaluating various locations for development and where to commit substantial long-term investment based on economic rate of return with the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis.

Not only Alpin Sun but all prudent energy developers, know tax incentives play an important role in attracting capital intensive facilities due to the high property tax burden in Texas. Ultimately, the decision to invest in Texas, or any other state, requires any capital investment by Alpin Sun to be based on expected economic return on their investment.

With property tax liabilities composing a substantial ongoing cost of operation that directly impacts the rate of return on the investment, without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. Alpin Sun evaluates the economic viability of proposed projects through Discounted Cash Flow models (DCF), comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the model must show a rate of return where the project, with the valuation limitation agreement, would exceed the minimum rate of return required to proceed with the proposed investment. Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize Alpin Sun to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project.

Alpin Sun is a leader in solar energy research & development and has consistently proved their dedication to the future of renewable energy, specifically solar power. They have completed over 220 photovoltaic plants around the globe, and currently manage 40 solar facilities. Their management features individuals with years of demonstrated experience in site selection, permitting, environmental due diligence, negotiations, and sustainable development. Alpin Sun believes solar power is the technology of the future and through innovation, positive stakeholder relationships, and wise investment decisions, the way in which we generate electricity will be changed.



Tab 7

Description of Qualified Investment

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Sun Valley Solar, LLC requests an appraised value limitation from Abbott Independent School District. Alpin Sun is proposing to construct a solar electric generating facility in Hill County, Texas. The facility, which will encompass approximately 2,596 acres, will be located in the southern portion of the county. Additionally, the entirety of the project will be within Abbott Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 250 MW-AC and will feature 410,959 photovoltaic panels, and 51 central inverters.

Sun Valley Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities



Tab 8

Description of Qualified Property

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Sun Valley Solar, LLC requests an appraised value limitation from Abbott Independent School District. Alpin Sun is proposing to construct a solar electric generating facility, Sun Valley Solar, LLC, in Hill County, Texas. The facility, which will encompass approximately 2,596 acres, will be located in the southern portion of the county. Additionally, the entirety of the project will be within Abbott Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 250 MW-AC, and will feature 410,959 photovoltaic panels, and 51 central inverters.

Sun Valley Solar, LLC requests that this application includes but is not limited to the following components of this project:

- Solar Modules & Panels
- Inverter Boxes
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities



KE ANDREWS
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Tab 9

Description of Land: N/A

AUSTIN • DALLAS • DENVER

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



Tab 11

Maps

Proposed Reinvestment Zone

Amendment One [5/21/2019]

Legend

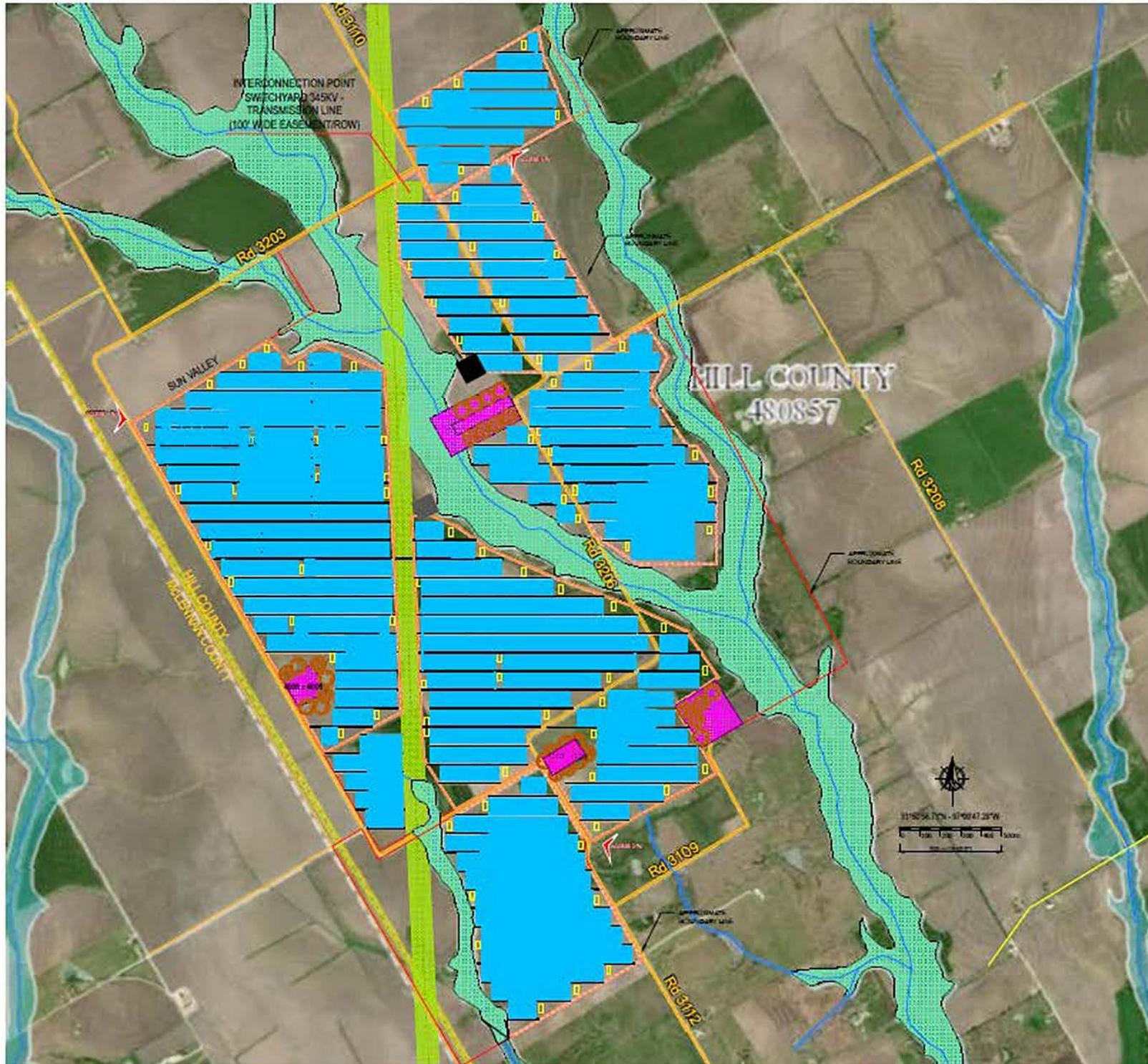
- Proposed Reinvestment Zone

Galbraith Lake

Proposed Reinvestment Zone (red outline)

2114





LEGEND:

- TOTAL SITE AREA:
- USEFUL SITE AREA:
- FLOODING AREA
- MAIN ROADS:
 - Rd 2114
- SECONDARY ROADS
- NO PIPELINES
- PV PROTECTION LIMIT
- INTERNAL PV ROADS
- TRANSMISSION LINES
 - EXISTING 345KV
 - SWITCHYARD 345 KV
- BUFFER AROUND HOUSES
- O & M Building
- Substation
- PV Panels

Proposed Reinvestment Zone

with Project Boundary

Amendment One [5/21/2019]

Legend

-  Project Boundary
-  Proposed Reinvestment Zone

Galbraith Lake

Proposed Reinvestment Zone
(red outline)

Project Boundary
(yellow outline)



Proposed Reinvestment Zone

within Abbott ISD

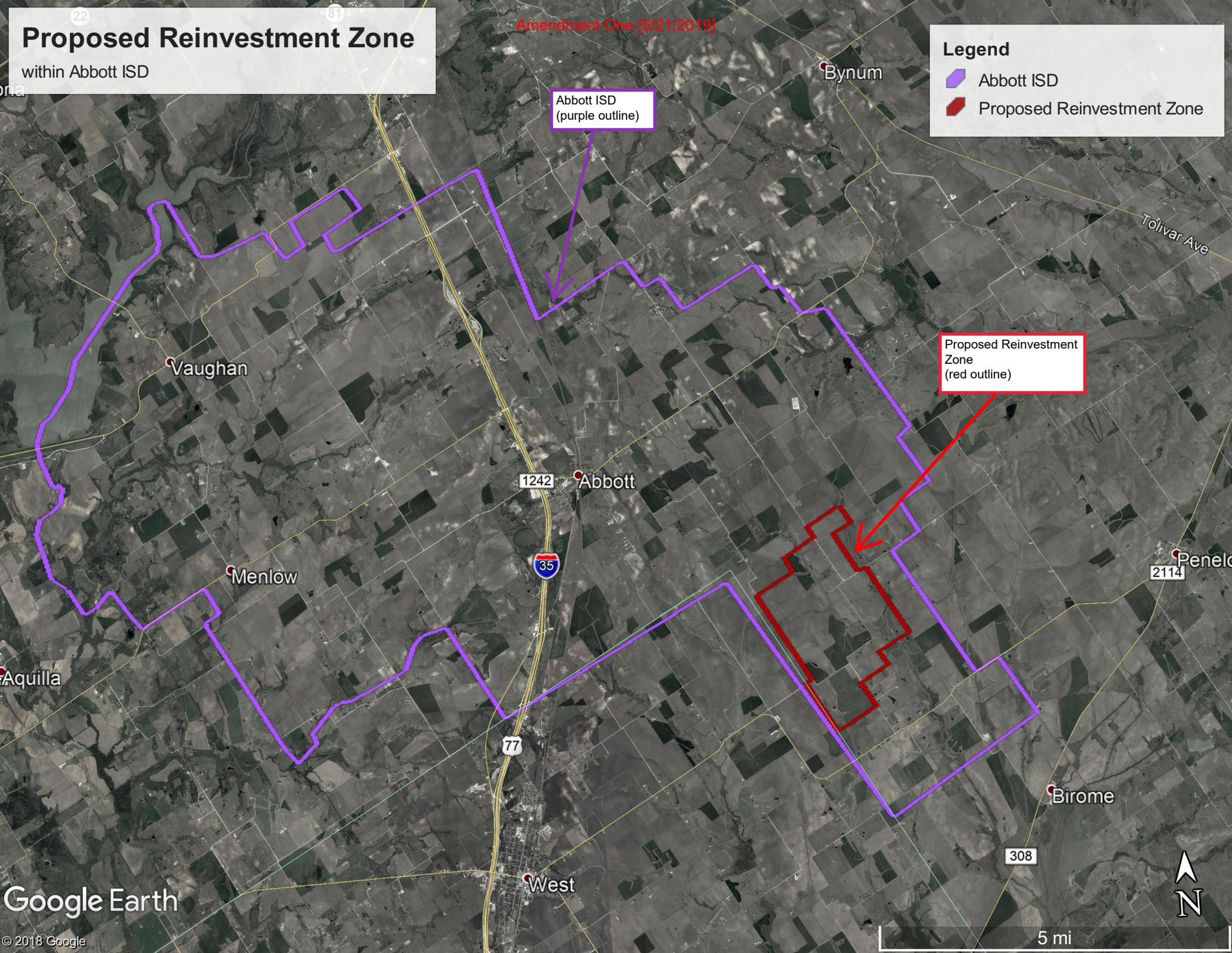
Amendment One [5/21/2019]

Legend

- Abbott ISD
- Proposed Reinvestment Zone

Abbott ISD
(purple outline)

Proposed Reinvestment
Zone
(red outline)



Proposed Reinvestment Zone

within Hill County

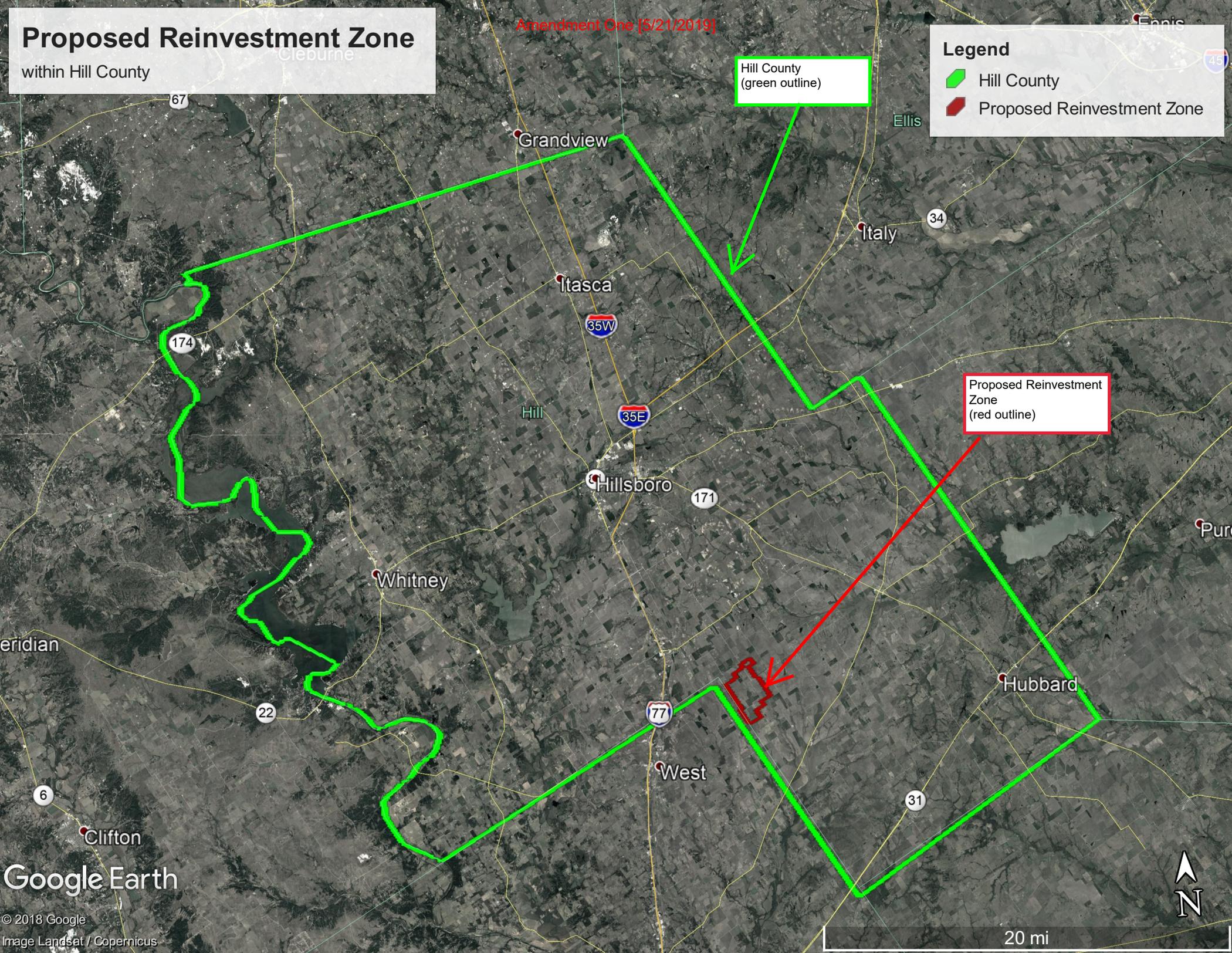
Amendment One (5/21/2019)

Legend

-  Hill County
-  Proposed Reinvestment Zone

Hill County
(green outline)

Proposed Reinvestment Zone
(red outline)





Tab 13

Calculation of Wage Requirements

U.S. Department of Labor—Bureau of Labor Statistics

The proceeding calculations are for the following wage requirements:

Calculation A: Hill County Average Weekly Wage

Calculation B: 110% of Hill County Average for Manufacturing Jobs

Calculation C: 110% of Heart of Texas Council of Government Regional Manufacturing Wage

Calculation A: Hill County Average Weekly Wage for all Jobs

Year	Quarter	Average Weekly Wage
2018	Q1	\$769.00
2018	Q2	\$767.00
2018	Q3	\$781.00
2018	Q4	\$838.00
2018	Q Average	\$788.75

In order to calculate the Hill County Average Weekly Wage for all Jobs, the following calculations were completed:

Quarterly Average Calculation:

Step 1: $\$769.00 + \$767.00 + \$781.00 + \$838.00 = \$3155.00$

Step 2: $\$3155.00 / 4 =$ **\$788.75**


Calculation B: 110% of Hill County Average Weekly Wage for Manufacturing Jobs

Year	Quarter	Average Weekly Wage
2018	Q1	\$810.00
2018	Q2	\$910.00
2018	Q3	\$937.00
2018	Q4	\$973.00
2018	Q Average	\$907.50
2018	110 % Q Average	\$998.25

In order to calculate 110% of the Hill County Average Weekly Wage for Manufacturing Jobs, the following calculations were completed:

110% Quarterly Average Calculation

Step 1: $\$810.00 + \$910.00 + \$937.00 + \$973.00 = \$3630.00$

Step 2: $\$3630.00 / 4 = \907.50

Step 3 $\$907.50 * 1.10 =$ **\$998.25**



Calculation C: 110% of Council of Government Regional Manufacturing Wage

2017 Heart of Texas Council of Government Regional Annual Wage: \$44,781.00

2017 Hear of Texas Council of Government 110% Regional Wage: \$49,259.10 annually or
\$947.29 weekly

In order to calculate 110% of the Heart of Texas Council of Government Average Weekly Wage for Manufacturing Jobs in the Region the following calculations were completed:

Step 1: $\$44,781.00 * 1.10 = \$49,259.10$

Step 2: $\$49,259.10 / 52 =$ **\$947.29**



Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2018	01	Hill	Total All	Total, All Industries	769
2018	02	Hill	Total All	Total, All Industries	767
2018	03	Hill	Total All	Total, All Industries	781
2018	04	Hill	Total All	Total, All Industries	838

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2018	01	Hill	Private	Manufacturing	810
2018	02	Hill	Private	Manufacturing	910
2018	03	Hill	Private	Manufacturing	937
2018	04	Hill	Private	Manufacturing	973



Tab 14

Schedules A1-D

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

Date 5/21/2019
Applicant Name Sun Valley Solar, LLC
ISD Name Abbott ISD

Amendment One [5/21/2019]

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 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)	2019	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	2020-2021	2020	\$ 229,500,000.00	\$ 500,000.00			\$ 230,000,000.00	
	QTP2	2021-2022	2021	\$ -	\$ -			\$ -	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 229,500,000.00	\$ 500,000.00			\$ 230,000,000.00	
				Enter amounts from TOTAL row above in Schedule A2					
Total Qualified Investment (sum of green cells)				\$ 230,000,000.00					

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 **5/21/2019**
 Applicant Name **Sun Valley Solar, LLC**
 ISD Name **Abbott ISD**

Amendment One [5/21/2019]

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		\$ 230,000,000.00				\$ 230,000,000.00
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019					
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2020-2021	2020	\$ 229,500,000.00	\$ 500,000.00			\$ 230,000,000.00
Value limitation period***	1	2021-2022	2021	\$ -	\$ -			\$ -
	2	2022-2023	2022					
	3	2023-2024	2023					
	4	2024-2025	2024					
	5	2025-2026	2025					
	6	2026-2027	2026					
	7	2027-2028	2027					
	8	2028-2029	2028					
	9	2029-2030	2029					
10	2030-2031	2030						
Total Investment made through limitation				\$ 229,500,000.00	\$ 500,000.00			\$ 230,000,000.00
Continue to maintain viable presence	11	2031-2032	2031			\$ 1,500,000		\$ 1,500,000
	12	2032-2033	2032			\$ 1,500,000		\$ 1,500,000
	13	2033-2034	2033			\$ 1,500,000		\$ 1,500,000
	14	2034-2035	2034			\$ 1,500,000		\$ 1,500,000
	15	2035-2036	2035			\$ 1,500,000		\$ 1,500,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036			\$ 1,500,000		\$ 1,500,000
	17	2037-2038	2037			\$ 1,500,000		\$ 1,500,000
	18	2038-2039	2038			\$ 1,500,000		\$ 1,500,000
	19	2039-2040	2039			\$ 1,500,000		\$ 1,500,000
	20	2040-2041	2040			\$ 1,500,000		\$ 1,500,000
	21	2041-2042	2041			\$ 1,500,000		\$ 1,500,000
	22	2042-2043	2042			\$ 1,500,000		\$ 1,500,000
	23	2043-2044	2043			\$ 1,500,000		\$ 1,500,000
	24	2044-2045	2044			\$ 1,500,000		\$ 1,500,000
	25	2045-2046	2045			\$ 1,500,000		\$ 1,500,000

* 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)

Amendment One [5/21/2019]

Date **5/21/2019**
 Applicant Name **Sun Valley Solar, LLC**
 ISD Name **Abbott 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	2019-2020	2019						
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2021-2022	2021	\$ -	\$ 500,000.00	\$ 229,500,000.00	\$ 230,000,000.00	\$ 230,000,000.00	\$ 20,000,000.00
	2	2022-2023	2022	\$ -	\$ 485,000.00	\$ 206,550,000.00	\$ 207,035,000.00	\$ 207,035,000.00	\$ 20,000,000.00
	3	2023-2024	2023	\$ -	\$ 470,450.00	\$ 185,895,000.00	\$ 186,365,450.00	\$ 186,365,450.00	\$ 20,000,000.00
	4	2024-2025	2024	\$ -	\$ 455,900.00	\$ 165,240,000.00	\$ 165,695,900.00	\$ 165,695,900.00	\$ 20,000,000.00
	5	2025-2026	2025	\$ -	\$ 441,350.00	\$ 144,585,000.00	\$ 145,026,350.00	\$ 145,026,350.00	\$ 20,000,000.00
	6	2026-2027	2026	\$ -	\$ 426,800.00	\$ 123,930,000.00	\$ 124,356,800.00	\$ 124,356,800.00	\$ 20,000,000.00
	7	2027-2028	2027	\$ -	\$ 412,250.00	\$ 103,275,000.00	\$ 103,687,250.00	\$ 103,687,250.00	\$ 20,000,000.00
	8	2028-2029	2028	\$ -	\$ 397,700.00	\$ 82,620,000.00	\$ 83,017,700.00	\$ 83,017,700.00	\$ 20,000,000.00
	9	2029-2030	2029	\$ -	\$ 383,150.00	\$ 61,965,000.00	\$ 62,348,150.00	\$ 62,348,150.00	\$ 20,000,000.00
	10	2030-2031	2030	\$ -	\$ 368,600.00	\$ 41,310,000.00	\$ 41,678,600.00	\$ 41,678,600.00	\$ 20,000,000.00
Continue to maintain viable presence	11	2031-2032	2031	\$ -	\$ 354,050.00	\$ 41,310,000.00	\$ 41,664,050.00	\$ 41,664,050.00	\$ 41,664,050.00
	12	2032-2033	2032	\$ -	\$ 339,500.00	\$ 41,310,000.00	\$ 41,649,500.00	\$ 41,649,500.00	\$ 41,649,500.00
	13	2033-2034	2033	\$ -	\$ 324,950.00	\$ 41,310,000.00	\$ 41,634,950.00	\$ 41,634,950.00	\$ 41,634,950.00
	14	2034-2035	2034	\$ -	\$ 310,400.00	\$ 41,310,000.00	\$ 41,620,400.00	\$ 41,620,400.00	\$ 41,620,400.00
	15	2035-2036	2035	\$ -	\$ 295,850.00	\$ 41,310,000.00	\$ 41,605,850.00	\$ 41,605,850.00	\$ 41,605,850.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	\$ -	\$ 281,300.00	\$ 41,310,000.00	\$ 41,591,300.00	\$ 41,591,300.00	\$ 41,591,300.00
	17	2037-2038	2037	\$ -	\$ 266,750.00	\$ 41,310,000.00	\$ 41,576,750.00	\$ 41,576,750.00	\$ 41,576,750.00
	18	2038-2039	2038	\$ -	\$ 252,200.00	\$ 41,310,000.00	\$ 41,562,200.00	\$ 41,562,200.00	\$ 41,562,200.00
	19	2039-2040	2039	\$ -	\$ 237,650.00	\$ 41,310,000.00	\$ 41,547,650.00	\$ 41,547,650.00	\$ 41,547,650.00
	20	2040-2041	2040	\$ -	\$ 223,100.00	\$ 41,310,000.00	\$ 41,533,100.00	\$ 41,533,100.00	\$ 41,533,100.00
	21	2041-2042	2041	\$ -	\$ 208,550.00	\$ 41,310,000.00	\$ 41,518,550.00	\$ 41,518,550.00	\$ 41,518,550.00
	22	2042-2043	2042	\$ -	\$ 194,000.00	\$ 41,310,000.00	\$ 41,504,000.00	\$ 41,504,000.00	\$ 41,504,000.00
	23	2043-2044	2043	\$ -	\$ 179,450.00	\$ 41,310,000.00	\$ 41,489,450.00	\$ 41,489,450.00	\$ 41,489,450.00
	24	2044-2045	2044	\$ -	\$ 164,900.00	\$ 41,310,000.00	\$ 41,474,900.00	\$ 41,474,900.00	\$ 41,474,900.00
	25	2045-2046	2045	\$ -	\$ 150,350.00	\$ 41,310,000.00	\$ 41,460,350.00	\$ 41,460,350.00	\$ 41,460,350.00

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 **5/21/2019**
 Applicant Name **Sun Valley Solar, LLC**
 ISD Name **Abbott ISD**

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	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)	Average 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	400 FTE	\$ 55,000.00		0	\$ -
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021				2	\$ 49,259.10
	2	2022-2023	2022				2	\$ 49,259.10
	3	2023-2024	2023				2	\$ 49,259.10
	4	2024-2025	2024				2	\$ 49,259.10
	5	2025-2026	2025				2	\$ 49,259.10
	6	2026-2027	2026				2	\$ 49,259.10
	7	2027-2028	2027				2	\$ 49,259.10
	8	2028-2029	2028				2	\$ 49,259.10
	9	2029-2030	2029				2	\$ 49,259.10
	10	2030-2031	2030				2	\$ 49,259.10
Years Following Value Limitation Period	11 through 25	2031-2045	2031-2045				2	\$ 49,259.10

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

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) Yes No
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date **5/21/2019**
 Applicant Name **Sun Valley Solar, LLC**
 ISD Name **Abbott ISD**

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Hill County	2021	2021-2030	\$ 608,688.00	65%	\$ 213,040.80
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 608,688.00	65%	\$ 213,040.80

Additional information on incentives for this project:



Tab 16

Description of Reinvestment Zone

Sun Valley Solar, LLC is to be located within a proposed reinvestment zone. The creation of this reinvestment zone is anticipated to occur sometime in the second fiscal quarter of 2019 and will be created by Hill County. Therefore, upon the creation of the proposed reinvestment zone, the legal description of the zone as well as the order, resolution, or ordinance that establishes the reinvestment zone will be submitted to the Texas Comptroller.

SECOND AMENDED AND RESTATED HILL COUNTY TAX ABATEMENT GUIDELINES

1. Purpose

These Second Amended and Restated Tax Abatement Guidelines amend and replace the Restated and Amended Hill County Tax Abatement Guidelines previously adopted.

The purpose of these Guidelines is to comply with §312.002 of the Tax Code, and to adopt guidelines and criteria governing tax abatement agreements entered into or participated in by Hill County. Tax abatement under these Guidelines will be considered for both new structures and facilities and the expansion and modernization of existing structures or facilities.

2. Participation in Tax Abatement in Municipal Reinvestment or Enterprise Zones

2.1 Municipalities may create reinvestment zones in accordance with §312.201 of the Tax Code. Municipalities may enter into tax abatement agreements with the owner(s) of taxable real property within the reinvestment zone to exempt a portion of the taxable value of the real property, and personal property located on the real property. The term “municipal reinvestment zone” includes an “enterprise zone” designated under Chapter 2303 of the Government Code.

2.2 Pursuant to §312.206 of the Tax Code, the County may enter into a tax abatement agreement with the owner of real property within a municipal reinvestment zone when a municipality is entering into a tax abatement agreement with the owner. The terms of the County Agreement are not required to be identical to those in the municipal agreement, however, the duration and percentages of tax abatement are generally the same.

2.3 The duration of any tax abatement may not exceed a period of ten (10) years, or the period allowed by applicable law.

3. County Reinvestment Zones

3.1 In accordance with Chapter 312, Subchapter C of the Tax Code, Hill County may create its own reinvestment zones in the unincorporated areas of the County, including within the ETJ of a municipality. The term “county reinvestment zone” includes an “enterprise zone” designated under Chapter 2303 of the Government Code.

3.2 A County Reinvestment Zone shall only be created in accordance with §312.401 of the Tax Code.

3.3 A tax abatement agreement entered into in a County Reinvestment Zone must comply with §312.402 of the Tax Code.

3.4 The duration of any tax abatement may not exceed a period of ten (10) years, or the period allowed by applicable law.

3.5 Any abatement of County taxes does NOT apply to Farm-to-Market-Lateral Road taxes.

4. Application for Tax Abatement

4.1 The property owner must generally file an application for tax abatement with the County Judge for a tax abatement to be considered by the Commissioners Court. Exceptions to this requirement are:

4.1.1 For tax abatement in a municipal reinvestment zone, the Commissioners Court agrees to accept the application submitted to the municipality as compliance with the application requirement of these Guidelines if it is provided with a copy of the application submitted to the municipality at least ten (10) business days before the abatement is to be considered by the Commissioners Court on behalf of the County. Hill County reserves the right to require additional information which is reasonably necessary to guide its consideration of whether or not to grant tax abatement.

4.1.2 The Commissioners Court may consider as a tax abatement application a submittal which contains a description of the property, the proposed improvements and additions, any employment positions to be created or maintained, abatement terms, percentages and conditions, and other information included therein based on negotiations by County officials and legal counsel with the business, in lieu of requiring an application.

4.1.3 An Application for Tax Abatement must include the following:

- a. a legal description and common description of the real property for which tax abatement is sought;
- b. a description of any personal property for which tax abatement is sought;
- c. the proposed capital improvements to the property and any proposed additions of personal property thereon over and above what exists on the property at the date of the Application and any proposed increases in employment or retention of jobs which the Applicant is proposing as incentive for the grant of the tax abatement. This shall include the number of jobs, average wage of jobs, employment benefits to be provided, and a commitment to retain the jobs throughout the abatement period;
- d. Plans and Specifications for the proposed improvements and additions, and a proposed schedule for such to be completed;
- e. the name, address, and telephone number of the applicant;
- f. if the applicant is other than a natural person, identification of the form of the entity and a copy of the articles of incorporation, partnership agreement, or other document establishing the entity must be provided. Where the applicant is other than a natural person, a

certificate of good standing from the State Comptroller shall be provided, and a verification of the entity's status from the State Secretary of State shall be provided where applicable;

g. the applicant must provide a current tax certificate showing that all property taxes due on the property have been paid;

h. the applicant must provide a statement of the taxable value of the property and personal property thereon as shown on the assessment for the year of the application, and must state the estimated increase in the taxable value;

i. the Application must disclose any discharges of pollutants which are expected to accompany the Applicant's operations on the property; and

j. the applicant shall provide a map showing the property, and the location of proposed improvements.

4.2. Except as otherwise provided herein, before Hill County enters into a tax abatement agreement for a property located within a reinvestment or enterprise zone, the following requirements must be shown to have been met:

4.2.1 The reinvestment zone or enterprise zone must have been created in compliance with the requirements of the Tax Code.

4.2.2 The term of the proposed abatement cannot exceed 10 years, or the period allowed by applicable law.

4.2.3 The application requirements of these Guidelines have been complied with by the property owner, unless exempted as set forth above.

4.2.4 The terms and conditions of the proposed abatement are found acceptable to the County and its legal counsel.

4.2.5 Sufficient public benefit in the form of improvements/additions to the property, and, if applicable, creation/retention of jobs in the County, is to be generated by the property for which tax abatement is granted.

4.2.6 The terms of the proposed tax abatement agreement must specify the obligations of the property owner to meet certain capital investment and, if applicable, employment standards, and must provide methods to audit compliance of the property owner, and to recover abated taxes, and/or penalties, interest, and/or attorney's fees from the property owner if the property owner fails to meet the obligations.

4.2.7 The property owner must not be currently delinquent on any County taxes.

5. Tax Abatement Agreements

5.1 Tax Abatement Agreements must, by statute, contain the following terms and conditions:

- (a) list the kind, number, and location of all proposed improvements of the property;
- (b) provide access to and authorize inspection of the property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
- (c) limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
- (d) provide for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;
- (e) contain each term agreed to by the owner of the property;
- (f) require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement; and
- (g) provide that the governing body of the County may cancel or modify the agreement if the property owner fails to comply with the agreement.

See §§312.205 and 312.206, Tax Code. *See Also* §312.402, Tax Code.

5.2 The Tax Abatement Agreement may contain other provisions as required by the County or its legal counsel.

5.3 The duration of a tax abatement shall not exceed ten (10) years.

5.4 The Base Year Value of the property, the percentage of abatement, and the length of abatement shall be clearly set forth in the Agreement.

5.5 The “Base Year Value” is the taxable value of the property for the tax year in which the Agreement is executed.

5.6 The abatement provided by a Tax Abatement Agreement is only for the increase of the taxable value over the Base Year Value caused by the improvements and additions made by the property owner to the property which are specifically set forth in the Agreement. The abatement shall not be applied to improvements or personal property located on the property before the Tax Abatement Agreement is executed, or which are not included in the

improvements or additions expressly described in the Tax Abatement Agreement. The abatement provided by the Tax Abatement Agreement shall not apply to inventory or supplies.

5.7 A Tax Abatement Agreement will generally take effect on January 1 of the next year after the improvements and/or additions are completed. A certificate of completion must be provided to the County Judge upon (or the entity administering compliance) completion of the improvements/additions. “Completion” is subject to independent verification of completion by the County (and the municipality if in a municipal reinvestment zone).

5.8 For participation in municipal reinvestment zone tax abatement, the County may choose to use an abbreviated tax abatement agreement that adopts the terms of the municipal tax abatement agreement except as otherwise stated.

5.9 The Abatement Period may be started during construction if the parties so agree in the Tax Abatement Agreement.

5.10 The start of the Abatement Period may be deferred to a later year if the parties agree to such in the Tax Abatement Agreement.

5.11 Tax abatement compliance for a municipal reinvestment zone is generally monitored and administered by the city.

6. Guidelines of General Application

6.1 No member of the County Commissioners Court may have an interest in property to be included in a reinvestment zone, or property for which a tax abatement is granted by the County.

6.2 No tax abatement agreement is effective until formally approved by the Commissioners Court and fully executed by all parties. NO TAX ABATEMENT CAN BE GRANTED FOR PROPERTY THAT IS NOT LOCATED WITHIN A PROPERLY ESTABLISHED REINVESTMENT ZONE.

6.3 Tax abatement will only be granted for increases in the taxable value of the property over the Base Year Value as defined in these Guidelines, and only for increases in value caused by improvements/additions identified in the applicable tax abatement agreement. The term improvements/additions includes both new structures and facilities and the expansion and modernization of existing structures or facilities. In some situations, involving leases—the applicable Base Year value may be zero, or may be the value of the leasehold, if any. According to Section 312.402 (a-3) of the Tax Code the value of fixtures and personal property placed on the leased property is what is considered for abatement.

6.4 There can be no implied promise to grant tax abatement, and tax abatement may only be granted by the Commissioners Court by formal action, taken by the Commissioners Court as a body, which approves the same.

6.5 Meetings at which a tax abatement is considered by the Commissioners Court must be posted and held in accordance with the Open Meetings Act (Chapter 551 of the Government Code).

6.6 The conflict of interest provisions of Chapter 171 of the Local Government Code apply to actions taken by the Commissioners Court on any tax abatement.

6.7 For tax abatement in a municipal reinvestment zone, the term and percentages of the abatement are the same as those provided for in the municipal tax abatement agreement, except that the County does not recognize or provide additional premium opportunities or additional abatement provided by a municipality (ex. Added % abatement if x number or percentage of employees reside within the municipality, etc.). If the Commissioners Court does not agree with the term or percentages contained in the municipal agreement, it can choose not to participate in the abatement. In determining whether to participate in tax abatement in a municipal reinvestment zone the County will apply a rational review of the proposed term and percentages versus the development and/or employment being provided to determine whether such adequately serves the public purpose of tax abatement and is in the public interest.

For County Reinvestment Zones, rational review of the proposed length and percentages of tax abatement shall be applied. The proposed term/percentages should primarily be a function of the level of improvements/additions and job creation/retention. Proposals which include job creation/retention shall generally have priority over those which involve only improvements/additions to property. Another factor shall be the quality of the jobs proposed. Generally, a proposed abatement involving creation of near minimum wage jobs should be accorded less favorable abatement than one involving provision of jobs having more attractive wages and benefits. Greater consideration may be given to an applicant that commits to use contractors, vendors and suppliers located in Hill County for a substantial portion of its construction expenditures and annual supplies and service needs, and presents the County with a plan to do so as part of its application. Greater consideration may be given to an applicant that commits to fill at least 2/3rds of the new employment positions created with persons who reside in Hill County, and presents the County with a plan to do so as part of its application. In addition, businesses having a regional or national impact will be given greater consideration. These are businesses that ship most of their production outside of the County. Other businesses may be given greater consideration because they draw consumers into the County to make purchases.

When a project provides for little job creation but significant capital investment, care must be taken to properly analyze the possible impacts to the tax valuation in the future from factors such as depreciation, market changes, regulatory changes, appraisal methodologies, tax exemptions, and other relevant matters. The percentage and length of tax abatement must be carefully considered in view of the diminishing or fluctuating future value of the project. Rapid depreciation and unpredictable future valuations are factors that will be considered in setting abatement percentages and length on such projects. The Green Energy Abatement opportunity granted hereby is one of these areas. However, beyond the capital investment, the provision of green energy creates more energy to power Texas industry while reducing pollution in creating

that energy—which also makes Texas a better place to live and work. Standard abatement periods and percentages are set. *See* Appendix 1.

Other factors such as the infrastructure and utility requirements of the development, community impacts, direct and indirect economic impacts, environmental impacts, and the potential for future expansion may also be considered as part of the analysis.

6.8 In accordance with §312.002(d) of the Tax Code, Hill County’s adoption of these Guidelines does not:

- (1) limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;
- (2) limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or
- (3) create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

6.9 Sale, Lease or Allocation to Tax Exempt Entity. If a sale, lease, or allocation of the Project or its output is made to an entity exempt from property taxation, and such results in a portion of the Project being exempt from property taxation, the County may terminate the Tax Abatement Agreement and the Abatement granted thereunder. If this occurs, the owner must repay any taxes abated related to the portion of the property that has become exempt from year 1 to when the portion of the property became tax exempt.

6.10 Alternatively, to keep the tax abatement agreement in place for the rest of the property, the Owner shall pay in a lump sum the present value of taxes that will be lost to the County with regard to the exempt portion of the property over the next 20 years using a calculation agreed to by the parties in writing, but if unable to be agreed to, resolved by binding mediation to take place in Hill County, Texas before a mediator selected by the County from the approved list of mediators maintained by the Federal District Court in Waco..

6.11 In the event of conflict between these Guidelines and a provision of Chapter 312 of the Tax Code, Chapter 312 of the Tax Code shall control.

6.12 These Guidelines must be re-evaluated and re-approved every two years.

Approved and adopted by the Hill County Commissioners Court on this the ____ day of _____, 2019.

Justin Lewis, County Judge

Attest:

County Clerk

Appendix 1.

Clean Energy. This category generally provides limited job creation and involves rapid depreciation in value for property tax purposes. Therefore, standard Abatement Periods and Percentages are set. The minimum Capital Investment to be considered for Green Energy Abatement is \$20,000,000.

Between \$20,000,000 and \$50,000,000 of Capital Investment

Abatement Year	Abatement Percentage
1	50%
2	50%
3	40%
4	40%
5	35%
6	20%

Between \$50,000,000 and \$100,000,000 of Capital Investment

Abatement Year	Abatement Percentage
1	50%
2	50%
3	50%
4	45%
5	40%
6	40%
7	30%

Between \$100,000,000 and \$200,000,000

Abatement Year	Abatement Percentage
1	60%
2	60%
3	55%
4	55%

5	50%
6	50%
7	50%
8	40%
9	40%
10	30%

Greater than \$200,000,000 of Capital Investment

Abatement Year	Abatement Percentage
1	60%
2	60%
3	60%
4	60%
5	60%
6	55%
7	50%
8	45%
9	45%
10	30%



Tab 17

Signatures and Certification

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

Print Name (Authorized School District Representative)

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

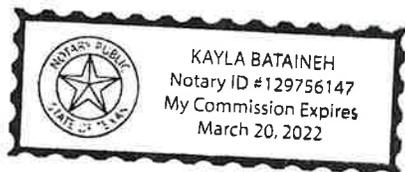
Adrian Filonel loance
Print Name (Authorized Company Representative (Applicant))

Authorized Representative
Title

sign here

Signature (Authorized Company Representative (Applicant))

5/21/2019
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

21st day of May, 2019

K Bataineh
Notary Public in and for the State of Texas

My Commission expires: 3/20/2022

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.

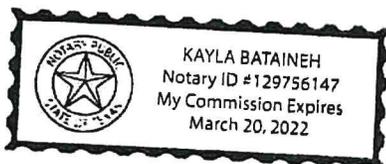
print here Eric Pustejovsky Superintendent
Print Name (Authorized School District Representative) Title
sign here Eric Pustejovsky 05/23/19
Signature (Authorized School District Representative) Date

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 Adrian Filonel loance Authorized Representative
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] 5/21/2019
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the 21st day of May, 2019.
KBataineh
Notary Public in and for the State of Texas
My Commission expires: 3/20/2022

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.