

UNDERWOOD

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July 12, 2019

Tabita Collazo, Analyst
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Via Email and Federal Express

Re: App 1373-Wellman-Union CISD –Algodon Solar Energy LLC
Amendment No. 01 to Application

Dear Ms. Collazo,

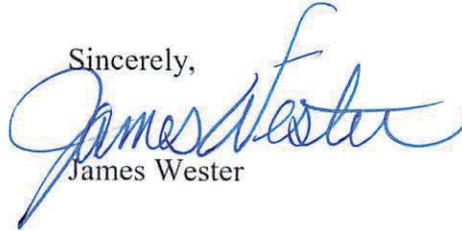
Enclosed please find amended application pages provided by the Applicant for the Chapter 313 Application submitted by Algodon Solar Energy LLC to Wellman-Union CISD to (the “Application”), along with a signature page to acknowledge these changes. This Amendment makes the following changes to the Application:

1. Page 7, Section 14, #7a and b – amount changed with updated wage data as noted for Tab 13 below.
2. Tab 3 is updated with information regarding the Franchise Tax Return.
3. Tabs 7 and 8 are updated to include language regarding the size and acreage of the project.
4. Tab 12 – the job waiver letter is updated to including a third paragraph regarding the industry standard.
5. Tab 13 is updated to include the four most recent quarters of wage data for calculating the Average Weekly Wage was updated to include Q4 of 2018, and remove Q4 of 2017;
 - a. In addition, the QCEW data filters were changed for the average weekly wage of all jobs to be “Total All, All Industries” for Ownership; and
 - b. The QCEW data filters were changed for the average weekly wage of manufacturing jobs to be “Private” for Ownership.
6. Tab 14, Schedule D is updated to include the estimated annual incentive as a percentage and includes notes in the bottom “additional” information box.
7. Tab 16 has been updated to include the Terry County Guidelines and Criteria and an anticipated date for the establishment of the reinvestment zone.

Tabita Collazo
July 12, 2019
Page 2

A CD containing this Amendment also enclosed. This Amendment, dated July 3, 2019 and numbered 01, is the first amendment to the Application. Please let me know if you require any additional information.

Sincerely,

A handwritten signature in blue ink that reads "James Wester". The signature is fluid and cursive, with the first name "James" and last name "Wester" clearly legible.

James Wester

Encl.
0DIOXE

cc: Adam Glatz, Ernst & Young, LP

via email: adam.h.glatz@ey.com

1373 – Wellman-Union ISD – Algodon Solar Energy LLC

Amendment 1 to Chapter 313 Application

July 03, 2019

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2019
(year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 2

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 888.50
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 894.58
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 851.70

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 44,288.20

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 45,000.00

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**.



Algodon Solar Energy LLC
Application for Appraised Value Limitation on Qualified Property
To
Wellman-Union ISD

Tab #3

The entity Algodon Solar Energy LLC was formed on February 28, 2019. On the 2019 annual franchise tax report Algodon Solar Energy LLC will be included as an affiliate entity on the consolidated group report for Invenergy Renewables LLC (Texas Taxpayer No. 32066250690).

Invenergy Renewables LLC was registered to do business in Texas on February 14, 2018. As such, the Franchise Tax Return for Report Year 2019, covering Tax Year 2018, will be the first filing of its kind for Invenergy Renewables LLC. While originally due in May, Invenergy Renewables LLC has filed a request for an extension for its Report Year 2019 Franchise Tax Return until November 2019. Once the Report Year 2019 return is filed, the documentation listing Algodon Solar Energy LLC as a member of the combined group will become available.



Algodon Solar Energy LLC
Application for Appraised Value Limitation on Qualified Property
To
Wellman-Union ISD

Tab #7

Description of Qualified Investment

The proposed qualified investment consists of solar photovoltaic modules, a single axis tracking system, driven-pile foundations, DC wiring, DC/AC inverters, medium voltage step-up transformers, AC cabling and a central substation with a high voltage step-up transformer. Upon completion the site will include 40 – 50 inverters and 600,000 – 700,000 panels depending on the final size of the project built and the technology used.

Other improvements include an electrical substation or switchyard, collection cable, foundations and racking, and other equipment associated with the solar facility.

The capital investment for this project is estimated to be \$175 million to \$225 million. Algodon Solar Energy LLC anticipates the commencement of commercial operations for this project by the second quarter of 2022.

This application covers all qualified property in the reinvestment zone and project boundary within Wellman-Union CISD.



Algodon Solar Energy LLC
Application for Appraised Value Limitation on Qualified Property
To
Wellman-Union ISD

Tab #8

Description of Qualified Property

Algodon Solar Energy LLC proposes constructing an up to 200MW solar electric generation facility on up to 2,720 acres of privately-owned land in Terry County.

The proposed qualified investment consists of solar photovoltaic modules, a single axis tracking system, driven-pile foundations, DC wiring, DC/AC inverters, medium voltage step-up transformers, AC cabling and a central substation with a high voltage step-up transformer. Upon completion the site will include 40 – 50 inverters and 600,000 – 700,000 panels depending on the final size of the project built and the technology used.

Other improvements include an electrical substation or switchyard, collection cable, foundations and racking, and other equipment associated with the solar facility.

The capital investment for this project is estimated to be \$175 million to \$225 million. Algodon Solar Energy LLC anticipates the commencement of commercial operations for this project by the second quarter of 2022.

This application covers all qualified property in the reinvestment zone and project boundary within Wellman-Union CISD.

Invenergy

July 03, 2019

Mr. Aaron Waldrip
Superintendent
Wellman-Union Independent School District
505 Terry Ave
Wellman, Texas 79378

RE: Algodon Solar Energy LLC Job Requirements Waiver Request

Dear Superintendent Waldrip:

Please consider this letter to be Algodon Solar Energy LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

Solar projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate the solar project once construction operations end and commercial operations have been established. The permanent employees of a solar energy project maintain and service solar panels, mounting racks, underground electrical connections, substations and related infrastructure. There are also asset managers who supervise, monitor, and support solar project operations from offsite locations.

Invenergy owns and operates a number of similar facilities in the State of Texas and, based on this experience, the industry standard for the minimum full-time job requirements to operate solar facilities such as those Invenergy owns is approximately 1 full-time job per 250MW of nameplate capacity. In line with this standard, and due to the ability for Algodon Solar Energy LLC to share resources among additional solar facilities that may be developed in the area, Invenergy commits to create two (2) permanent full-time employees to operate the Algodon Solar Energy LLC facility described in this Application for Value Limitation.

As such, Algodon Solar Energy LLC hereby requests that the job creation requirement under Chapter 313 of the Texas Tax Code be waived for this project.

Respectfully,

Algodon Solar Energy LLC

By: 
James Williams
Vice President of Development



Algodon Solar Energy LLC
Application for Appraised Value Limitation on Qualified Property
To
Wellman-Union ISD

CHECKLIST ITEM #13

Calculation of three possible wage requirements with TWC documentation

County Average Weekly Wages for All Jobs

Year	Quarter	County	Industry	Average Weekly Wage
2018	4th Qtr	Terry	Total, All Industries	\$ 908.00
2018	3rd Qtr	Terry	Total, All Industries	\$ 859.00
2018	2nd Qtr	Terry	Total, All Industries	\$ 873.00
2018	1st Qtr	Terry	Total, All Industries	\$ 914.00
Total				\$ 3,554.00
Average				\$ 888.50

110% of County Average Weekly Wages for Manufacturing Jobs

Year	Quarter	County	Industry	Average Weekly Wage
2018	4th Qtr	Terry	Manufacturing	\$ 769.00
2018	3rd Qtr	Terry	Manufacturing	\$ 938.00
2018	2nd Qtr	Terry	Manufacturing	\$ 735.00
2018	1st Qtr	Terry	Manufacturing	\$ 811.00
Total				\$ 3,253.00
Average				\$ 813.25
110% of Average				\$ 894.58



Terry County Data

Get Report

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 Code	Industry	Average Weekly Wage
2018	01	Terry	Total All	10	Total, All Industries	914
2018	02	Terry	Total All	10	Total, All Industries	873
2018	03	Terry	Total All	10	Total, All Industries	859
2018	04	Terry	Total All	10	Total, All Industries	908

<https://texaslmi.com/LMIbyCategory/QCEW>

Terry County Data

Get Report

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 Code	Industry	Average Weekly Wage
2018	01	Terry	Private	1013	Manufacturing	811
2018	02	Terry	Private	1013	Manufacturing	735
2018	03	Terry	Private	1013	Manufacturing	938
2018	04	Terry	Private	1013	Manufacturing	769

<https://texaslmi.com/LMIbyCategory/QCEW>

Schedule D: Other Incentives (Estimated)

Date: 13-May-19
 Applicant Name: Algodon Solar Energy LLC
 ISD Name: Wellman-Union Consolidated Independent School District

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: Terry	2023	10-Years	\$ 724,000	approx. 45% abatement	\$ 400,000
	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				\$ 724,000		\$ 400,000

Additional information on incentives for this project:

Local incentives currently being negotiated. Values represented above are tentative estimates only.
 A 10-year abatement is currently being negotiated.



Algodon Solar Energy LLC
Application for Appraised Value Limitation on Qualified Property
To
Wellman-Union ISD

Tab #16

Description of Reinvestment or Enterprise Zone, including:

a) Evidence that the area qualifies as an enterprise zone as defined by the Governor’s Office – attached

Please Note: While the entire project area is within the boundaries of a state enterprise zone, as defined in Texas Government Code Ch.2303, Algodon Solar Energy LLC also plans to establish a reinvestment zone through Terry County for the purposes of seeking Ch.312 Property Tax Abatement agreements. The anticipated date for reinvestment zone creation by Terry County is July 22, 2019.

b) Legal description of reinvestment zone – anticipate the reinvestment zone to be approved by Terry County on July 22, 2019.

c) Order, resolution or ordinance establishing the reinvestment zone – anticipate the reinvestment zone to be approved by Terry County on July 22, 2019.

d) Guidelines and criteria for creating the zone – attached

**RESOLUTION OF THE COMMISSIONERS COURT
OF TERRY COUNTY, TEXAS**

**A RESOLUTION PROVIDING THAT TERRY COUNTY (the “COUNTY”) ELECTS TO
BE ELIGIBLE TO PARTICIPATE IN TAX ABATEMENTS AS AUTHORIZED BY
CHAPTER 312 OF THE TEXAS TAX CODE**

WHEREAS, a Texas taxing unit may enter into tax abatement agreements authorized by Chapter 312 of the Texas Tax Code (the “Code”) only if the governing body of such taxing unit has previously adopted a resolution stating that the taxing unit elects to be eligible to participate in abating taxes.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSIONERS
COURT OF TERRY COUNTY THAT:**

1. The County hereby elects to be eligible to participate in tax abatements in accordance with Chapter 312 of the Code. This policy is effective as of the date of adoption.

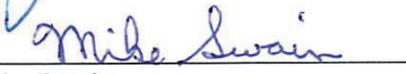
(signatures on following page)

PASSED, APPROVED, AND ADOPTED this 10th day of June, 2019.

Terry County Commissioners Court



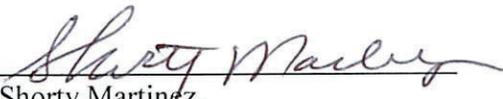
J.D. Wagner, County Judge



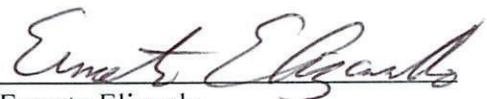
Mike Swain,
Precinct 1 Commissioner



Kirby Keesece,
Precinct 2 Commissioner



Shorty Martinez,
Precinct 3 Commissioner



Ernesto Elizardo,
Precinct 4 Commissioner

Attest:



Kim Carter, County Clerk



11

**STATE OF TEXAS
TERRY COUNTY
TAX ABATEMENT GUIDELINES AND CRITERIA**

Terry County (the “County”) is committed to the promotion of quality development in all parts of the County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider providing Tax Abatements (as defined below) to stimulate economic development. It is the policy of the County that such an incentive will be provided in accord with the guidelines and criteria outlined in this document. All applicants for Tax Abatements shall be considered on an individual basis.

In order to be eligible for designation as a Reinvestment Zone and receive Tax Abatement, the planned improvement:

1. must be an Eligible Facility (as defined below);
2. must add at least Five Hundred Thousand Dollars (\$500,000.00) to the tax roll of eligible property;
3. must create no less than five (5) new, permanent, full-time jobs;
4. must be reasonably expected to have an increase in positive net economic benefit to the County of at least One Million Dollars (\$1,000,000.00) over the life of the Abatement, computed to include (but not be limited to) new sustaining payroll and/or capital improvement; and
5. must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another.

In addition to the criteria set forth above, the Terry County Commissioners Court (the “Commissioners Court”) reserves the right to negotiate a Tax Abatement Agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property that is a direct result of the development, redevelopment, or improvement specified in the Tax Abatement Agreement will be eligible for Abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the reinvestment zone.

All Tax Abatement Agreements will remain in effect no longer than allowed by law.

It is the goal of the County to grant Tax Abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Commissioners Court to consider, adopt, modify or decline any Tax Abatement request.

This policy is effective as of the date of adoption, shall at all times be kept current with

regard to the needs of the County and reflective of the official views of the Commissioners Court, and shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the Commissioners Court 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.

SECTION I. DEFINITIONS

A. **"Abatement" or "Tax Abatement"** means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated for economic development purposes.

B. **"Agreement" or "Abatement Agreement"** means a contractual Agreement between a property owner and/or lessee and the County.

C. **"Base Year Value"** means the assessed value on the eligible property as of January 1 preceding the execution of the Agreement.

D. **"Deferred Maintenance"** means improvements necessary for continued operation which do not improve productivity or alter the process technology.

E. **"Eligible Facilities"** means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting the Abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the County, but does not include facilities which are intended to primarily provide goods or services to residents or existing businesses located in the County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to:

aquaculture/agriculture facilities;
distribution center facilities;
manufacturing facilities;
office buildings;
regional entertainment/tourism facilities;
research service facilities;

regional service facilities;
historic buildings in a designated area;
wind, solar, or other renewable energy facilities; or
other basic industrial facilities.

F. **"Expansion"** means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.

G. **"Facility"** means property improvement(s) completed or in the process of construction which together comprise an interregional whole.

H. **"Modernization"** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment.

I. **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.

J. **"Productive Life"** means the number of years property improvement(s) is/are expected to be in service in a facility.

SECTION II. ABATEMENT AUTHORIZED

A. **Eligible Facilities.** Upon application, Eligible Facilities shall be considered for Tax Abatement as hereinafter provided.

B. **Creation of New Values.** Abatement may only be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require.

C. **New and Existing Facilities.** Abatement may be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require.

D. **Eligible Property.** Abatement may be extended to the value of new, expanded, or modernized buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

E. **Ineligible Property.** The following types of property shall be fully taxable and ineligible for Tax Abatement: land; animals; inventories, supplies; tools; furnishings; vehicles; vessels; aircraft; deferred maintenance investments; housing and property to be rented or leased, except as provided in Section II(F); property owned or used by the State of Texas.

F. Owned/Leased Facilities. If a leased facility is granted Abatement, the Agreement shall be executed with the lessor and the lessee. If the land is leased, but the facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Agreement.

G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive Tax Abatement, the planned improvement:

- (1) must be an Eligible Facility;
- (2) must add at least Five Hundred Thousand Dollars (\$500,000.00) to the tax roll of eligible property;
- (3) must create no less than five (5) new, permanent, full-time jobs;
- (4) must be reasonably expected to have an increase in positive net economic benefit to the County of at least One Million Dollars (\$1,000,000.00) over the life of the Abatement, computed to include (but not be limited to) new sustaining payroll and/or capital improvement. The creation of new jobs (including number and type) will also factor into the decision to grant an Abatement; and
- (5) must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another.

H. Standards for Tax Abatement. The following factors, among others, will be considered in determining whether to grant Tax Abatement:

- (1) value of existing improvements, if any;
- (2) type and value of proposed improvements;
- (3) productive life of proposed improvements;
- (4) number of existing jobs to be retained by proposed improvements;
- (5) number and type of new jobs to be created by proposed improvements;
- (6) amount of local payroll to be created;
- (7) whether the new jobs to be created will be filled by persons residing or projected to reside within the affected taxing jurisdiction;
- (8) amount by which property tax base valuation will be increased during the term of Abatement and after Abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than Five Hundred Thousand Dollars (\$500,000.00);

(9) expenses to be incurred in providing facilities directly resulting from the new improvements;

(10) the amount of ad valorem taxes to be paid to the County during the Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period;

(11) the population growth of the County that occurs directly as a result of new improvements;

(12) the types and values of public improvements, if any, to be made by applicant seeking Abatement;

(13) whether the proposed improvements compete with existing businesses to the detriment of the local economy;

(14) the impact on the business opportunities of existing business;

(15) the attraction of other new businesses to the area;

(16) the overall compatibility with the zoning ordinances and comprehensive plan for the area; and

(17) whether the project obtains all necessary permits from the applicable environmental agencies.

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

I. Denial of Abatement. An Abatement Agreement shall not be authorized if it is determined that:

(1) there would be substantial adverse effect on the provision of government services or tax base;

(2) the applicant has insufficient financial capacity;

(3) applicant activities would violate applicable codes or laws; or

(4) any other reason deemed appropriate by the County.

J. Taxability. From the execution of the Abatement to the end of the Agreement period, taxes shall be payable as follows:

- (1) the value of ineligible property as provided in Section II(E) shall be fully taxable;
- (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
- (3) the additional value of new eligible property shall be fully taxable at the end of the Abatement period.

SECTION III. APPLICATION

A. Any present or potential owner of taxable property in the County may request Tax Abatement by filing a written application with the Commissioners Court.

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an Abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The Commissioners Court may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs and fees associated with the processing of the Tax Abatement request. All checks in payment of the administrative fee shall be made payable to the County. The fee for Abatement requests shall be One Thousand and No/100 Dollars (\$1,000.00). In addition, the Applicant shall agree to reimburse the County for any and all reasonable legal fees incurred by the County in processing and considering this application and in negotiating and formalizing any Abatement Agreement and any requested modification or amendment to any Abatement Agreement.

C. The County shall give notice as provided by the Property Tax Code, including written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the Agreement is located, not later than seven (7) days before acting upon the application.

D. The application process described in this Section III shall be followed regardless of whether a particular reinvestment zone is created by the County or a taxing entity within the County. No other notice or hearing shall be required except compliance with the Texas Open Meetings Act, unless the Commissioners Court deem them necessary in a particular case.

SECTION IV. AGREEMENT

A. After approval, the Commissioners Court shall formally execute an Agreement with the owner of the facility and lessee, as required, which shall:

- (1) include a list of the kind, number and location of all proposed improvements to the property;
- (2) provide access to and authorize inspection of the property by the taxing unit to insure compliance with the Agreement;
- (3) limit the use of the property consistent with the taxing unit's development goals;
- (4) provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the Agreement or otherwise fails to comply with the Agreement;
- (5) include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the Agreement to each taxing unit; and
- (6) allow the taxing unit to cancel or modify the Agreement at any time if the property owner fails to comply with the terms of the Agreement.

SECTION V. RECAPTURE

A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or content; or (2) violates any of the terms and conditions of the Abatement Agreement and fails to cure during any cure period, the Agreement then may be terminated and all taxes previously abated by virtue of the Agreement will be recaptured and paid within thirty (30) days of the termination.

B. Should the County determine that the applicant or its assignee is in default according to the terms and conditions of its Agreement, the County shall notify the applicant in writing at the address stated in the Agreement, and if such is not cured within the cure period set forth in such notice, if any, then the Agreement may be terminated.

SECTION VI. ADMINISTRATION

A. The Chief Appraiser of the Terry County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving Abatement shall furnish the appraiser with such information as may be necessary for the Abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of the amount of the assessment.

B. The County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the Abatement Agreement are being met. The Abatement Agreement shall stipulate that employees and/or designated representatives of the

County will have access to the reinvestment zone during the term of the Abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the applicant present and in accordance with its safety standards.

C. Upon completion of construction, a designated representative of the County shall annually evaluate each facility receiving Abatement to insure compliance with the Agreement and shall formally report such evaluations to the Commissioners Court.

SECTION VII. ASSIGNMENT

The Abatement Agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility either upon the approval by resolution of the Commissioners Court, or in accordance with the terms of an existing Tax Abatement Agreement. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner, or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably delayed or withheld. Notice shall be given to the Commissioners Court at least twenty (20) days in advance of any transfer or assignment.

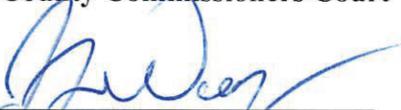
SECTION VIII. SUNSET PROVISION

These guidelines and criteria are effective upon the date of their adoption and shall supersede and replace any and all prior guidelines and criteria for Tax Abatement in the County. These guidelines and criteria shall remain in force for two (2) years, unless amended by three-quarters (3/4) vote of the Commissioners Court, at which time all reinvestment zones and Tax Abatement Agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on such review, the guidelines and criteria will be modified, renewed or eliminated; provided, however, that no modification or elimination of the Guidelines and Criteria shall affect Tax Abatement Agreements that have been previously approved until the parties thereto shall agree to amend such Agreements.

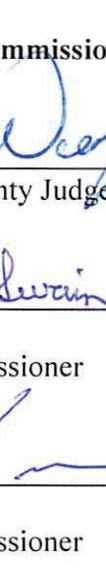
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PASSED, APPROVED, AND ADOPTED on this the 10th day of June, 2019.

Terry County Commissioners Court



J.D. Wagner, County Judge



Mike Swain,
Precinct 1 Commissioner



Kirby Keese,
Precinct 2 Commissioner



Shorty Martinez,
Precinct 3 Commissioner



Ernesto Elizardo,
Precinct 4 Commissioner

Attest:



Kim Carter, County Clerk



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.

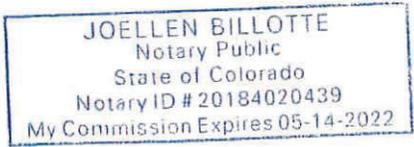
print here → Aaron Waldrip David Foote Superintendent
Print Name (Authorized School District Representative) Title
sign here → David Foote 7/10/19
Signature (Authorized School District Representative) Date

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 → James Williams Vice President of Development
Print Name (Authorized Company Representative (Applicant)) Title
sign here → [Signature] 6/27/2019
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

27 day of June, 2019
Joellen Billette
Notary Public in and for the State of ~~Texas~~ CO
My Commission expires: 5-14-22

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.