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**FINDINGS OF THE  
GRAPE CREEK INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES  
ON THE APPLICATION SUBMITTED BY  
ANGELO SOLAR, LLC (#1376)**

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**NOVEMBER 11, 2019**

FINDINGS OF THE GRAPE CREEK INDEPENDENT  
SCHOOL DISTRICT BOARD OF TRUSTEES ON THE  
APPLICATION SUBMITTED BY ANGELO SOLAR, LLC  
(# 1376)

STATE OF TEXAS §

COUNTY OF TOM GREEN §

On November 11, 2019, a public meeting of the Board of Trustees of the Grape Creek Independent School District (“District”) was held to consider the application of Angelo Solar, LLC (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code (“Chapter 313”). The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On May 13, 2019, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code (“Application”). The Application, including all amendments and supplements thereto submitted by the Applicant, was determined to be complete as of July 19, 2019. A copy of the Application is attached as **Attachment A**.

As required by Chapter 313, the Applicant, (Texas Taxpayer Id. 32067350358), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

The Board of Trustees acknowledged receipt of the Application, along with the requisite application fee, established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

On May 23, 2019, the Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(a-1). A copy of the Application was delivered to the Tom Green County Appraisal District for review pursuant to 34 Tex. Admin. Code §9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.025(d), and a Comptroller Certificate was issued on September 18, 2019, in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25<sup>th</sup> anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Culwell Consulting, LLC is attached to these findings as **Attachment D**.

The Board of Trustees has confirmed that the taxable value of property in the District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment E**.

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in

accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

**Board Finding Number 1**

**The Board finds that property used for renewable electric energy generation, as the property is described in the Application, is eligible for a limitation under Tex. Tax Code §313.024(b)(5).**

In support of Finding 1, the Application indicates that:

Angelo Solar, LLC is proposing to construct, operate, and maintain a renewable energy facility utilizing photovoltaic solar panels and ancillary equipment to be located in Tom Green County, Texas (the "Project"). The Project will expand the local tax base in the County and contribute to employment in the County without triggering any new burden to shared services. The Project will be located entirely in Grape Creek Independent School District.

The overall Project is anticipated to have a capacity of 195 MWac consisting of approximately 702,688 photovoltaic solar panels, but the final capacity and number of panels will depend on the panel model selected for deployment and the nameplate capacity of each panel.

**Board Finding Number 2**

**The project proposed by the Applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).**

**Board Finding Number 3**

**Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).**

#### **Board Finding Number 4**

**The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.**

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

#### **Board Finding Number 5**

**Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Agreement (Attachment G) contains all required provisions and information related to job creation requirements.**

In its Application, the Applicant has committed to creating two (2) new qualifying jobs. The average salary level of qualifying jobs must be at least \$45,017 per year. The review of the application by the Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(B) requirement that qualifying jobs must pay 110% of the county average manufacturing wage. The Applicant has also guaranteed that these 2 jobs will meet the definition of "Qualifying Job" set forth in Tex. Tax Code §313.021.

#### **Board Finding Number 6**

**Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in Texas Tax Code §313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.**

#### **Board Finding Number 7**

**The Applicant does not intend to create any non-qualifying jobs.**

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant should create, the Applicant

will be required to pay at least the county average wage of \$40,070 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

**Board Finding Number 8**

**The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.**

In support of this finding, the Application indicates that the project would initially add \$142,924,263 to the tax base that would be available for debt service purposes at the peak investment level for the 2022-23 school year. An expansion of the I&S tax base creates the potential of a benefit for the District and its taxpayers, should it decide to consider a bond issue in the future.

**Board Finding Number 9**

**The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the project.**

This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

**Board Finding Number 10**

**The Board finds that it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.**

**Board Finding Number 11**

**The Board of Trustees hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.**

The Board has developed a written policy which requires the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

### **Board Finding Number 12**

**The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Forty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, §313.027.**

Tax Code Section 313.022 categorizes non-rural school districts according to the taxable value of all property in the district for the preceding tax year determined by the Texas Comptroller. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2018 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (**Attachment E**), the taxable

value of all property in the district for the preceding tax year is \$300,893,724. Under Section 313.027(b), the District is therefore categorized as Subchapter B.

**Board Finding Number 13**

**The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount.**

The Board finds that the amount of required qualified investment set forth in the Agreement (Attachment G) contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. The Board further finds that this amount complies with Texas Tax Code 313.023.

**Board Finding Number 14**

**The Applicant is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 32067350358), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See Attachment B. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

**Board Finding Number 15**

**The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.**

**Board Finding Number 16**

**The Agreement for an Appraised Value Limitation on Qualified Property attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.**

The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (Attachment H). The Agreement ensures that should the District incur

revenue losses in any year that the value limitation is in effect, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District.

**Board Finding Number 17**

**The Board finds that the Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.**

**Board Finding Number 18**

**The Board finds that there are no conflicts of interest at the time of considering the agreement.**

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <https://pol.tasb.org/Home/Index/297>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

**Board Finding Number 19**

The Board directs that a link on its Website be established to the Comptroller's Office Website where appraisal-limitation-related documents are made available to the public.

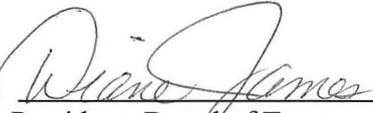
**Board Finding Number 20**

Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting and maintained in the permanent records of the Board of Trustees of the District.

Dated the 11<sup>th</sup> day of November 2019.

GRAPE CREEK INDEPENDENT SCHOOL DISTRICT

By:  \_\_\_\_\_  
President, Board of Trustees

ATTEST:

By:  \_\_\_\_\_  
Secretary, Board of Trustees

Attachment A

Application

# O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE  
AUSTIN, TEXAS 78701  
TELEPHONE: (512) 494-9949  
FACSIMILE: (512) 494-9919

May 23, 2019

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

RE: Application to the Grape Creek Independent School District from Angelo Solar, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Grape Creek Independent School District is notifying Angelo Solar, LLC, of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the school district on May 13, 2019. The Board voted to accept the application on May 14, 2019. The application has been determined complete as of May 23, 2019. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered.

The Applicant has requested that a portion of Tab 11, specifically the detailed layout of the planned solar plant, be kept confidential until such time the Board votes to approve the application. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the competitive siting decisions for the possible project and proprietary information regarding the proposed layout of the project. The confidential materials are being submitted separately to protect against unintended disclosure. The maps depicting the planned location of the project display proprietary commercial information regarding the specific location of the possible project and the nature of the business that will be conducted at the site. The materials are protected by the trade secret exception set forth in Texas Government Code §552.110.

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

Sincerely,



Kevin O'Hanlon  
School District Consultant

Cc: Tom Green County Appraisal District  
Angelo Solar, LLC

## APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> <li>a) Project vicinity</li> <li>b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Existing property</li> <li>e) Land location within vicinity map</li> <li>f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> <li>a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone*</li> <li>c) order, resolution or ordinance establishing the reinvestment zone*</li> <li>d) guidelines and criteria for creating the zone*</li> </ul> <p><b>* To be submitted with application or before date of final application approval by school board</b></p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

Tab 1

**Page 1 through 11 of Application**

See attached.

# Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at [comptroller.texas.gov/economy/local/ch313/](http://comptroller.texas.gov/economy/local/ch313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SECTION 1: School District Information

### 1. Authorized School District Representative

May 13, 2019

Date Application Received by District

Angie

First Name

Smetana

Last Name

Superintendent

Title

Grape Creek Independent School District

School District Name

8207 US Hwy. 87 North

Street Address

8207 US Hwy. 87 North

Mailing Address

San Angelo

City

325-658-7823, ext. 1000

Phone Number

Texas

State

325-658-8719

Fax Number

76901

ZIP

angie.smetana@grapecreekisd.net

Email Address

Mobile Number (optional)

2. Does the district authorize the consultant to provide and obtain information related to this application? .....

Yes

No

**SECTION 1: School District Information (continued)**

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

Mali	Hanley
First Name	Last Name
Consultant	
Title	
O'Hanlon, Demerath & Castillo	
Firm Name	
(512) 494-9949	(512) 494-9919
Phone Number	Fax Number
	mhanley@808west.com
	Email Address
Mobile Number (optional)	

4. On what date did the district determine this application complete? ..... May 23, 2019
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)**

Gordon J.	Trousdale	
First Name	Last Name	
Chief Financial Officer	Apex Clean Energy	
Title	Organization	
310 4th Street N.E., Suite 200		
Street Address		
310 4th Street N.E., Suite 200		
Mailing Address		
Charlottesville	VA	22902
City	State	ZIP
(434) 220-7580 x1003	(434) 220-3712	
Phone Number	Fax Number	
	jim@apexcleanenergy.com	
	Business Email Address	
Mobile Number (optional)		

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.

Ben	Semmes	
First Name	Last Name	
Project Developer	Apex Clean Energy	
Title	Organization	
310 4th Street N.E., Suite 200		
Street Address		
310 4th Street N.E., Suite 200		
Mailing Address		
Charlottesville	VA	22902
City	State	ZIP
(207) 650-2644		
Phone Number	Fax Number	
	ben.semmes@apexcleanenergy.com	
	Business Email Address	
Mobile Number (optional)		

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)

David Sewell  
 First Name Last Name  
 Attorney  
 Title  
 Stahl, Davies, Sewell, Chavarria & Friend, LLP  
 Firm Name  
 (512) 346-5558 (512) 346-2712  
 Phone Number Fax Number  
 dsewell@sbaustinlaw.com  
 Business Email Address

SECTION 3: Fees and Payments

- 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.
- 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
- 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

- What is the legal name of the applicant under which this application is made? Angelo Solar, LLC
- List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32067350358
- List the NAICS code 221115
- 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

- Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company
- 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.
- Is the applicant current on all tax payments due to the State of Texas?  Yes  No
- Are all applicant members of the combined group current on all tax payments due to the State of Texas?  Yes  No  N/A
- 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**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

SECTION 7: Project Description

1. In **Tab 4**, 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.
2. Check the project characteristics that apply to the proposed project:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur?  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur?  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site?  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?  Yes  No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

**SECTION 9: Projected Timeline**

1. Application approval by school board ..... October 14, 2019
2. Commencement of construction ..... June 2020
3. Beginning of qualifying time period ..... February 1, 2020
4. First year of limitation ..... January 1, 2023
5. Begin hiring new employees ..... June 2021
6. Commencement of commercial operations ..... June 2021
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (*date your application is finally determined to be complete*)? .....  Yes  No  
**Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? ..... June 2021

**SECTION 10: The Property**

1. Identify county or counties in which the proposed project will be located ..... Tom Green County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ..... Tom Green County Appraisal District
3. Will this CAD be acting on behalf of another CAD to appraise this property? .....  Yes  No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:  
 County: Tom Green (0.545), 100% City: \_\_\_\_\_  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)  
 Hospital District: TGC Emer. Svcs., (0.02861), 100% Water District: Lipan Kickapoo Water Dist (0.01030), 100%  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)  
 Other (*describe*): \_\_\_\_\_ Other (*describe*): \_\_\_\_\_  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? .....  Yes  No  
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? .....  Yes  No  
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

**SECTION 11: Investment**

**NOTE:** The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at [comptroller.texas.gov/economy/local/ch313/](http://comptroller.texas.gov/economy/local/ch313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... 40,000,000.00
2. What is the amount of appraised value limitation for which you are applying? ..... 40,000,000.00  
**Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? .....  Yes  No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
  - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
  - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
  - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? .....  Yes  No

**SECTION 12: Qualified Property**

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
  - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
  - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
  - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)?  Yes  No
  - 2a. If yes, attach complete documentation including:
    - a. legal description of the land (Tab 9);
    - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
    - c. owner (Tab 9);
    - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
    - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303?  Yes  No
  - 3a. If yes, attach the applicable supporting documentation:
    - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
    - b. legal description of reinvestment zone (Tab 16);
    - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
    - d. guidelines and criteria for creating the zone (Tab 16); and
    - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
  - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? June 2019

**SECTION 13: Information on Property Not Eligible to Become Qualified Property**

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
  - a. maps and/or detailed site plan;
  - b. surveys;
  - c. appraisal district values and parcel numbers;
  - d. inventory lists;
  - e. existing and proposed property lists;
  - f. model and serial numbers of existing property; or
  - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): ..... \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): ..... \$ 0.00

**Note:** Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

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 ..... 828.25
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 1,377.75
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 865.70
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? ..... 45,016.40
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 45,017.00
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**.

Tab 2

**Proof of Payment of Application Fee**

Proof of payment attached.

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 3

**Documentation of Combined Group membership under Texas Tax Code 171.0001(7),  
history of tax default, delinquencies and/or material litigation (if applicable)**

Angelo Solar, LLC was formed on June 1, 2018, and has not yet filed an annual report for Texas franchise tax. A franchise tax account status certificate for the entity is attached to this Tab 3.

Angelo Solar, LLC will be included as an affiliate entity on the combined group Texas franchise tax report that will be filed by Apex Clean Energy Holdings, LLC under Texas Taxpayer Number 32051152893 for Report Year 2019. A copy of the Form 05-165 filed by Apex Clean Energy Holdings, LLC for Report Year 2018 is attached to this Tab 3.



## Franchise Tax Account Status

As of : 05/08/2019 12:30:24

**This Page is Not Sufficient for Filings with the Secretary of State**

ANGELO SOLAR, LLC	
<b>Texas Taxpayer Number</b>	32067350358
<b>Mailing Address</b>	1601 ELM ST STE 4360 DALLAS, TX 75201-4701
<b>Right to Transact Business in Texas</b>	ACTIVE
<b>State of Formation</b>	DE
<b>Effective SOS Registration Date</b>	06/01/2018
<b>Texas SOS File Number</b>	0803032282
<b>Registered Agent Name</b>	COGENCY GLOBAL INC.
<b>Registered Office Street Address</b>	1601 ELM ST., SUITE 4360 DALLAS, TX 75201

### Texas Franchise Tax Extension Request

■ Tcode 13258 ANNUAL

■ Taxpayer number	■ Report year	Due date
32051152893	2018	05/15/2018

Taxpayer name APEX CLEAN ENERGY HOLDINGS, LLC				Secretary of State file number or Comptroller file number	
Mailing address 310 4TH STREET NE, SUITE 200				0802838280	
City CHARLOTTESVILLE	State VA	Country USA	ZIP code plus 4 22902	Blacken box if the address has changed ■ <input type="checkbox"/>	
Blacken box if this is a combined report <input checked="" type="checkbox"/>					

If this extension is for a combined group, you must also complete and submit Form 05-165.

Note to mandatory Electronic Fund Transfer(EFT) payers:  
 When requesting a second extension do not submit an Affiliate List Form 05-165.

1. Extension payment (Dollars and cents)

1. ■

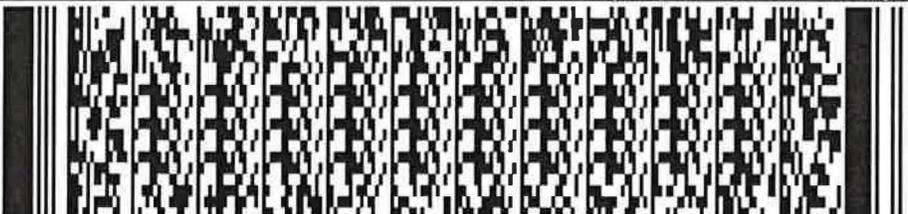
	235000.00
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Print or type name G. JAMES TROUSDALE		Area code and phone number (434) 220-7595
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.		<b>Mail original to:</b> Texas Comptroller of Public Accounts P.O. Box 149348 Austin, TX 78714-9348
sign here ▶ <i>G. James Trousdale</i>	Date 4/27/18	

Instructions for each report year are online at [www.comptroller.texas.gov/taxes/franchise/forms](http://www.comptroller.texas.gov/taxes/franchise/forms). If you have any questions, call 1-800-252-1381.

Taxpayers who paid \$10,000 or more during the preceding fiscal year (Sept. 1 thru Aug. 31) are required to electronically pay their franchise tax.  
 For more information visit [www.comptroller.texas.gov/taxes/franchise/filing-requirements.php](http://www.comptroller.texas.gov/taxes/franchise/filing-requirements.php).

**Texas Comptroller Official Use Only**



VE/DE	<input type="checkbox"/>
PM Date	



7003

Texas Franchise Tax Extension Affiliate List

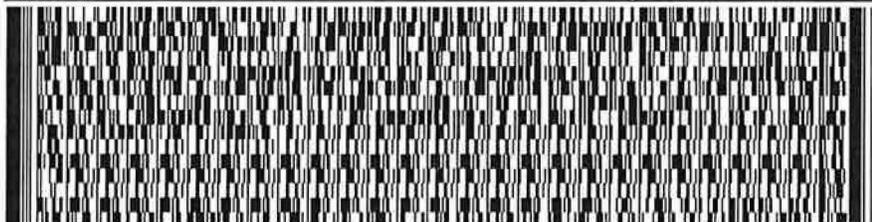
Tcode 13298

■ Reporting entity taxpayer number 32051152893	■ Report year 2018	Reporting entity taxpayer name APEX CLEAN ENERGY HOLDINGS, LLC
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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	BLACKEN BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. APEX SOUTH TEXAS WIND, LLC	32050705865	<input type="checkbox"/>
2. APEX WIND ASSET MGMT, LLC	32061018423	<input type="checkbox"/>
3. APEX WIND CONSTRUCTION, LLC	32061018399	<input type="checkbox"/>
4. COLDWATER WIND, LLC	32052008615	<input type="checkbox"/>
5. HARMONY WIND, LLC (FKA DOLPHIN FLOYD WIND, LLC)	32060172791	<input type="checkbox"/>
6. ESPIRITU WIND, LLC	32058255459	<input type="checkbox"/>
7. FLOYD COUNTY INTERCONNECT, LLC	32061782077	<input type="checkbox"/>
8. OSWPS HOLDINGS, LLC	32059746779	<input type="checkbox"/>
9. PERRYTON INTERCONNECT, LLC	32058644447	<input type="checkbox"/>
10. PERRYTON LAND HOLDINGS, LLC	32060322271	<input type="checkbox"/>
11. PERRYTON PLAINS WIND, LLC	32058519797	<input type="checkbox"/>
12. PERRYTON WIND HOLDINGS II, LLC	32059761083	<input type="checkbox"/>
13. PERRYTON WIND HOLDINGS, LLC	32059746662	<input type="checkbox"/>
14. PERRYTON WIND, LLC	32051914011	<input type="checkbox"/>
15. PUMPKIN FARM WIND, LLC	32059163082	<input type="checkbox"/>
16. SAN PATRICIO WIND I, LLC	12636356557	<input type="checkbox"/>
17. SWINFORD WIND, LLC	32060322230	<input type="checkbox"/>
18. OSLO WIND, LLC	32053841212	<input type="checkbox"/>
19. APEX CLEAN ENERGY MANAGEMENT, LLC	32065609771	<input type="checkbox"/>
20. BLACK ANGUS WIND, LLC	32065383666	<input type="checkbox"/>
21. BRUNI WIND, LLC	32065710413	<input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request. Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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### Texas Franchise Tax Extension Affiliate List

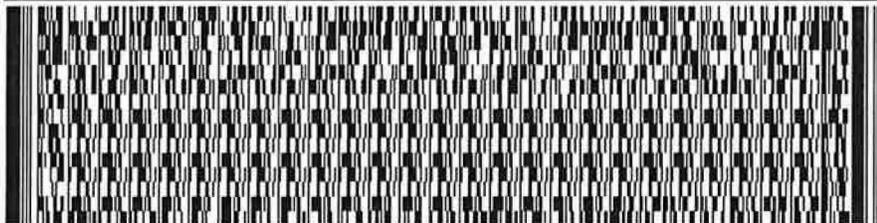
■ Tcode 13298

■ Reporting entity taxpayer number <b>32051152893</b>	■ Report year <b>2018</b>	Reporting entity taxpayer name <b>APEX CLEAN ENERGY HOLDINGS, LLC</b>
--	------------------------------	--

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	BLACKEN BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. CLEARFORK SOLAR, LLC	32066664882	<input type="checkbox"/>
2. GALLANT WIND, LLC	32065631908	<input type="checkbox"/>
3. GRAPE CREEK WIND, LLC	32065312137	<input type="checkbox"/>
4. LAREDO WIND, LLC	32065490677	<input type="checkbox"/>
5. PUMPKIN FARM SOLAR, LLC	32063876414	<input type="checkbox"/>
6. REEVES SOLAR, LLC	32066582134	<input type="checkbox"/>
7. STALLION RUN WIND, LLC	32065631932	<input type="checkbox"/>
8. WHITE MESA WIND, LLC	32065462809	<input type="checkbox"/>
9. YORKVILLE SOLAR, LLC	32065202809	<input type="checkbox"/>
10. YTURRIA RANCH WIND, LLC	32065175500	<input type="checkbox"/>
11.		<input type="checkbox"/>
12.		<input type="checkbox"/>
13.		<input type="checkbox"/>
14.		<input type="checkbox"/>
15.		<input type="checkbox"/>
16.		<input type="checkbox"/>
17.		<input type="checkbox"/>
18.		<input type="checkbox"/>
19.		<input type="checkbox"/>
20.		<input type="checkbox"/>
21.		<input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request. Do not file this form when requesting a second extension.

#### Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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7003

## Tab 4

### Detailed description of the project

Apex Clean Energy Holdings, LLC (“Apex”) <http://www.apexcleanenergy.com/> is an independent renewable energy company based in Charlottesville, VA. Since its founding in 2009, Apex has become one of the fastest-growing companies in the industry. Apex has completed construction of renewable energy facilities in Texas and has started construction on additional projects in Illinois, Texas, and Oklahoma. Operating assets under management by Apex have grown to approximately 1000 MW as of the first quarter of 2018. The company has a diversified portfolio of over 14,000 MW of renewable energy facilities in development around the country (including over 1000 MW in Texas), including operating both wind and solar assets. The company’s management team comprises experts from throughout the industry whose collective prior experience includes the development, financing, construction and operation of over \$10 billion in wind and solar energy facilities now operating in the United States.

Angelo Solar, LLC is proposing to construct, operate, and maintain a renewable energy facility utilizing photovoltaic solar panels and ancillary equipment to be located in Tom Green County, Texas (the “Project”). The Project will expand the local tax base in the County and contribute to employment in the County without triggering any new burden to shared services. The Project will be located entirely in Grape Creek Independent School District.

The overall Project is anticipated to have a capacity of 195 MWac consisting of approximately 702,688 photovoltaic solar panels, but the final capacity and number of panels will depend on the panel model selected for deployment and the nameplate capacity of each panel.

The Project is expected to be operational for 30 years or more. The Project site is well-suited for energy development alongside current agricultural use and is considered low-risk.

**Documentation to assist in determining if limitation is a determining factor**

Apex, the ultimate parent company of Angelo Solar, LLC, has been in the renewable energy sector for over nine years and has capabilities in the development, financing, construction and operation of over 14,000 MW of independent power assets throughout the United States, of which over 1000 MW have the opportunity to be developed in Texas.

The Project is in the middle stages of development as of the date of this application. This Project was selected as a candidate to explore for development because of the abundant solar resource and investment made in Tom Green County, access to the ERCOT market, and the favorable property tax incentives under the Tax Code, including the potential availability of tax abatement agreements under Tax Code Chapter 312 and a value limitation agreement under Tax Code Chapter 313.

Apex has publicly announced the Project by listing it on Apex Clean Energy's website as a project in development. At the time that the initial Project land leases were executed with landowners, the Project was known by the name "Concho Solar, LLC." The Project filed its initial application with ERCOT using this name, but ERCOT notified Apex that the proposed name conflicted with another pending application. At that time, the Project changed its name to Angelo Solar, LLC. The Project applied to ERCOT on September 6, 2018, and its GINR number is 19INR0203.

The only agreements that Applicant has entered into for this Project are written lease agreements with landowners that permit the installation of solar energy project facilities on the land. The written leases may be terminated by Applicant if it elects not to construct the Project.

The approval of the Project's application for a Chapter 313 Appraised Value Limitation remains an essential factor in the Project being selected for development by Apex. A myriad of variables remain undetermined at this early stage, and Apex could elect to allocate resources to other developable counties and/or states competing for similar projects where Apex has land interests.

Apex would like to develop and build its proposed project, but given the number of undetermined variables at this early stage, a Chapter 313 Appraised Value Limitation Agreement is necessary to make the economics of the project viable by providing relief for the greatest operational cost of the project. If Apex cannot secure a Chapter 313 Appraised Value Limitation Agreement, resources will be likely reallocated to other developable counties and/or states competing for similar projects where Apex has land interests. Apex is currently developing the following facilities that are competing for investment capital with the proposed project in Tom Green County:

- a. A large Solar farm in Texas known internally as "Wilmeth Solar;"
- b. A large Solar farm in Texas known internally as "Desert Rose;"
- c. A large Solar farm in Virginia known internally as "Carvers Creek";
- d. A large Solar farm in North Carolina known internally as "Island Creek";
- e. A large wind farm in Texas known internally as "Young Wind";
- f. A large wind farm in Texas known internally as "Black Angus Wind";
- g. A large wind farm in Illinois known internally as "Lincoln Land";

- h. A large wind farm in Minnesota known internally as "Big Bend";
- i. A large wind farm in Indiana known internally as "Roaming Bison";
- j. A large wind farm in Colorado known internally as "Antelope Creek"; and
- k. A large wind farm in New Mexico known internally as "Grady Martin"
- l. A large wind farm in Kansas known internally as "Jayhawk."

Tab 6

**Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)**

Not applicable.

## Tab 7

### Description of Qualified Investment

The qualified investment is expected to consist of approximately 702,688 photovoltaic solar panels for a total operating capacity of approximately 195 MWac. The final Project capacity and number of panels will depend on the panel model selected for deployment and the nameplate capacity of each panel. In addition to the panels, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the panels. There will also be located within the project boundary a collector substation; electrical transmission interconnects, cables, and control systems for commercial generation of electricity; security fencing with locking gates; security cameras with remote viewing capability; and a portion of a gentie line that will connect the Project's collector substation to the grid at the point of interconnection.

The point of interconnection and a portion of the Project's gentie line are located outside of Grape Creek ISD and will not be part of the Qualified Investment in this application.

## Tab 8

### Description of Qualified Property

The qualified investment is expected to consist of approximately 702,688 photovoltaic solar panels for a total operating capacity of approximately 195 MWac. The final Project capacity and number of panels will depend on the panel model selected for deployment and the nameplate capacity of each panel. In addition to the panels, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the panels. There will also be located within the project boundary a collector substation; electrical transmission interconnects, cables, and control systems for commercial generation of electricity; security fencing with locking gates; security cameras with remote viewing capability; and a portion of a gentie line that will connect the Project's collector substation to the grid at the point of interconnection.

The point of interconnection and a portion of the Project's gentie line are located outside of Grape Creek ISD and will not be part of the Qualified Investment in this application.

Tab 9

**Description of Land**

Not applicable.

Tab 10

**Description of all property not eligible to become qualified property (if applicable)**

Not applicable.

## Tab 11

### Maps

See attached maps.

The locations of project improvements shown on the attached map should be considered preliminary and are subject to revision.

The following maps are attached:

1. A vicinity map that shows the boundaries of Tom Green County, Grape Creek ISD, the proposed reinvestment zone, and the Project Boundary,
2. A map of the proposed Qualified Property - **Confidential**



Tab 12

**Request for Waiver of Job Creation Requirement and supporting information (if applicable)**

See attached letter. Based on the attached letter, Angelo Solar, LLC is committing to creating 2 qualifying jobs to support the project.

# Angelo Solar, LLC

## Tom Green County, Texas

May 13, 2019

Re: Angelo Solar, LLC Waiver Request for Qualifying Jobs

Dear Superintendent Smetana:

Please consider this letter as Angelo Solar, LLC's formal request to waive the minimum new qualifying job creation requirement for the Angelo Solar Project pursuant to Texas Tax Code § 313.025(f-1).

Solar projects create a large number of construction jobs but require a small number of highly skilled technicians to operate the project once construction is complete and commercial operations begin. The permanent employees of a solar project maintain and service the solar panels, underground electrical connections, substations, and other infrastructure associated with the safe and reliable operation of the project. Based upon Apex Clean Energy's extensive experience in solar project development and a survey of experienced developers and operators of utility scale solar projects, we find that the industry standard for solar projects between 100MW (AC) and 200MW (AC) in size is two (2) full-time employees. This industry standard is further supported by previously filed applications for value limitation agreements by other solar developers. This number can and does vary depending upon the operator, type of units selected, and support and technical assistance offered by the manufacturer. In addition to the on-site employees described above, there may be asset managers or technicians who supervise, monitor, and support the solar project's operations from off-site locations.

Based on the industry standard described above, we respectfully request that the job creation requirement be waived for the Angelo Solar Project based on Angelo Solar, LLC's commitment to create two (2) new qualifying jobs.

If you have any questions please do not hesitate to contact me at (207) 650-2644.

Sincerely,



Ben Semmes, Project Developer

Tab 13

Calculation of three possible wage requirements with TWC documentation

Average Weekly Wage for All Jobs (All Industries) in Tom Green County

YEAR	PERIOD	AREA	OWNERSHIP	IND-CODE	INDUSTRY	AVG. WEEKLY WAGES
2018	4th Qtr	Tom Green	Total All	10	Total, All Industries	\$867
2018	1st Qtr	Tom Green	Total All	10	Total, All Industries	\$816
2018	2nd Qtr	Tom Green	Total All	10	Total, All Industries	\$814
2018	3rd Qtr	Tom Green	Total All	10	Total, All Industries	\$816
Average						\$828.25

110% of \$828.25 = **\$911.08**

**Quarterly Employment and Wages (QCEW)**

**Average Weekly Wage for Manufacturing Jobs in Tom Green County**

YEAR	PERIOD	AREA	OWNERSHIP	IND-CODE	INDUSTRY	AVG. WEEKLY WAGES
2018	1st Qtr	Tom Green	Total All	31-33	Manuf.	\$1361
2018	2nd Qtr	Tom Green	Total All	31-33	Manuf.	\$1188
2018	3rd Qtr	Tom Green	Total All	31-33	Manuf.	\$1102
2018	4th Qtr	Tom Green	Total All	31-33	Manuf.	\$1359
Average						\$1252.5

110% of \$1252.5 = **\$1377.75**

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	01	Tom Green	Total All	10	Total, All Industries	0	\$ 816.00
2018	02	Tom Green	Total All	10	Total, All Industries	0	\$ 814.00
2018	03	Tom Green	Total All	10	Total, All Industries	0	\$ 816.00
2018	04	Tom Green	Total All	10	Total, All Industries	0	\$ 867.00
Total							\$ 3,313.00
Avg							\$ 828.25

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	1	Tom Green	Private	31-33	Manufacturing	2	\$ 1,361.00
2018	2	Tom Green	Private	31-33	Manufacturing	2	\$ 1,188.00
2018	3	Tom Green	Private	31-33	Manufacturing	2	\$ 1,102.00
2018	4	Tom Green	Private	31-33	Manufacturing	2	\$ 1,359.00
Total							\$ 5,010.00
Avg							\$ 1,252.50
110%							\$ 1,377.75

Cog wages			
Concho Valley	19.67	\$	40,924.00
	786.8	\$	45,016.40
	865.48	\$	865.70

**2017 Manufacturing Average Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
<a href="#">1. Panhandle Regional Planning Commission</a>	\$23.65	\$49,190
<a href="#">2. South Plains Association of Governments</a>	\$19.36	\$40,262
<a href="#">3. NORTEX Regional Planning Commission</a>	\$23.46	\$48,789
<a href="#">4. North Central Texas Council of Governments</a>	\$26.80	\$55,747
<a href="#">5. Ark-Tex Council of Governments</a>	\$18.59	\$38,663
<a href="#">6. East Texas Council of Governments</a>	\$21.07	\$43,827
<a href="#">7. West Central Texas Council of Governments</a>	\$21.24	\$44,178
<a href="#">8. Rio Grande Council of Governments</a>	\$18.44	\$38,351
<a href="#">9. Permian Basin Regional Planning Commission</a>	\$26.24	\$54,576
<a href="#">10. Concho Valley Council of Governments</a>	\$19.67	\$40,924
<a href="#">11. Heart of Texas Council of Governments</a>	\$21.53	\$44,781
<a href="#">12. Capital Area Council of Governments</a>	\$31.49	\$65,497
<a href="#">13. Brazos Valley Council of Governments</a>	\$17.76	\$36,931
<a href="#">14. Deep East Texas Council of Governments</a>	\$17.99	\$37,428
<a href="#">15. South East Texas Regional Planning Commission</a>	\$34.98	\$72,755
<a href="#">16. Houston-Galveston Area Council</a>	\$28.94	\$60,202
<a href="#">17. Golden Crescent Regional Planning Commission</a>	\$26.94	\$56,042
<a href="#">18. Alamo Area Council of Governments</a>	\$22.05	\$45,869
<a href="#">19. South Texas Development Council</a>	\$15.07	\$31,343
<a href="#">20. Coastal Bend Council of Governments</a>	\$28.98	\$60,276
<a href="#">21. Lower Rio Grande Valley Development Council</a>	\$17.86	\$37,152
<a href="#">22. Texoma Council of Governments</a>	\$21.18	\$44,060
<a href="#">23. Central Texas Council of Governments</a>	\$19.30	\$40,146
<a href="#">24. Middle Rio Grande Development Council</a>	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

Tab 14

**Schedules A1, A2, B, C, and D completed and signed Economic Impact (if applicable)**

See attached.

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

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	Column B New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Column C Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E <b>Total Investment</b> (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				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	--	2019-2020	2019 (see note 1)					
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								
Investment made before filing complete application with district		2020-2021	2020 (see note 2)	0	0	0		0
Investment made after filing complete application with district, but before final board approval of application				0	0	0		0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				107,193,197	0	0		107,193,197
Complete tax years of qualifying time period	QTP1	2021-2022	2021	35,731,066	0	0		35,731,066
	QTP2	2022-2023	2022	0	0	0		0
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				142,924,263	0	0		142,924,263
<b>Total Qualified Investment (sum of green cells)</b>				142,924,263				

Note 1: 2019 is not part of the qualifying time period.

Note 2: 2020 is part of the qualifying time period.

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)

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	Column B New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Column C Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other investment made during this year that will become Qualified Property [SEE NOTE]	Column E Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		142,924,263				142,924,263
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	107,193,197				107,193,197
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2021-2022	2021	35,731,066				35,731,066
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2022-2023	2022					
Value limitation period***	1	2023-2024	2023					
	2	2024-2025	2024					
	3	2025-2026	2025					
	4	2026-2027	2026					
	5	2027-2028	2027					
	6	2028-2029	2028					
	7	2029-2030	2029					
	8	2030-2031	2030					
	9	2031-2032	2031					
	10	2032-2033	2032					
<b>Total Investment made through limitation</b>				142,924,263				
Continue to maintain viable presence	11	2033-2034	2033					
	12	2034-2035	2034					
	13	2035-2036	2035					
	14	2036-2037	2036					
	15	2037-2038	2037					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038					
	17	2039-2040	2039					
	18	2040-2041	2040					
	19	2041-2042	2041					
	20	2042-2043	2042					
	21	2043-2044	2043					
	22	2044-2045	2044					
	23	2045-2046	2045					
	24	2046-2047	2046					
	25	2047-2048	2047					

\* 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)**

**9-May-19**  
**San Angelo**  
**Grape Creek 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	0	0	0	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	0	0				
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	0	0	\$107,193,197	\$107,193,197	\$107,193,197	\$107,193,197
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022	0	0	\$142,924,263	\$142,924,263	\$142,924,263	\$142,924,263
Value Limitation Period	1	2023-2024	2023	0	0	\$133,062,489	\$133,062,489	\$133,062,489	\$40,000,000
	2	2024-2025	2024	0	0	\$122,400,339	\$122,400,339	\$122,400,339	\$40,000,000
	3	2025-2026	2025	0	0	\$110,894,936	\$110,894,936	\$110,894,936	\$40,000,000
	4	2026-2027	2026	0	0	\$98,460,525	\$98,460,525	\$98,460,525	\$40,000,000
	5	2027-2028	2027	0	0	\$85,039,936	\$85,039,936	\$85,039,936	\$40,000,000
	6	2028-2029	2028	0	0	\$70,547,416	\$70,547,416	\$70,547,416	\$40,000,000
	7	2029-2030	2029	0	0	\$54,897,209	\$54,897,209	\$54,897,209	\$40,000,000
	8	2030-2031	2030	0	0	\$37,989,269	\$37,989,269	\$37,989,269	\$37,989,269
	9	2031-2032	2031	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	10	2032-2033	2032	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
Continue to maintain viable presence	11	2033-2034	2033	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	12	2034-2035	2034	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	13	2035-2036	2035	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	14	2036-2037	2036	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	15	2037-2038	2037	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	17	2039-2040	2039	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	18	2040-2041	2040	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	19	2041-2042	2041	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	20	2042-2043	2042	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	21	2043-2044	2043	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	22	2044-2045	2044	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	23	2045-2046	2045	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
	24	2046-2047	2046	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853
25	2047-2048	2047	0	0	\$28,584,853	\$28,584,853	\$28,584,853	\$28,584,853	

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**

**9-May-19**  
**San Angelo**  
**Grape Creek ISD**

**Form 50-296A**

*Revised May 2014*

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTE's 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 <i>Insert as many rows as necessary</i>	0	2020-2021	2020	0	\$0	0	0	\$0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	120 FTE	\$62,500	0	0	\$0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022			0	0	\$0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2023-2024	2023			0	2	\$45,017
	2	2024-2025	2024			0	2	\$45,017
	3	2025-2026	2025			0	2	\$45,017
	4	2026-2027	2026			0	2	\$45,017
	5	2027-2028	2027			0	2	\$45,017
	6	2028-2029	2028			0	2	\$45,017
	7	2029-2030	2029			0	2	\$45,017
	8	2030-2031	2030			0	2	\$45,017
	9	2031-2032	2031			0	2	\$45,017
10	2031-2032	2032			0	2	\$45,017	
Years Following Value Limitation Period	11 through 25	2033-248	2033-2047			0	2	\$45,017

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  X Yes  No  
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)  
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? X Yes  No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes X No

**Schedule D: Other Incentives (Estimated)**

**9-May-19**  
**San Angelo**  
**Grape Creek 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:					
	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:						
<b>TOTAL</b>						

Additional information on incentives for this project:

Tab 15

**Economic Impact Analysis, other payments made in the state or other economic information (if applicable)**

Not applicable.

Tab 16

**Description of Reinvestment or Enterprise Zone**

A copy of the Tom Green County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones, adopted on June 19, 2018, is attached.

This application will be supplemented with a copy of the designated reinvestment zone as soon as it is available.

#10

COMMISSIONERS' COURT OF TOM GREEN COUNTY  
COMMISSIONERS COURT ROOM  
EDD B. & FRANCES FRINK KEYES BUILDING  
SAN ANGELO, TEXAS

RESOLUTION AND ORDER

ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN PROPERTY TAX  
ABATEMENTS AND ADOPTING GUIDELINES AND CRITERIA  
FOR GRANTING PROPERTY TAX ABATEMENTS

The Commissioners' Court of Tom Green County, Texas, meeting in regular session on June 19, 2018, considered the following resolution:

**WHEREAS**, the Property Redevelopment and Tax Abatement Act (the "Act"), Chapter 312 of the Texas Tax Code, authorizes counties, cities, and other taxing units to provide temporary property tax abatements for limited periods of time as an inducement for the development or redevelopment of property; and

**WHEREAS**, the Act further requires that in order to become eligible to participate in tax abatements, a county or other taxing unit must (1) adopt a resolution stating its election to so participate and (2) adopt guidelines and criteria for property tax abatements; and

**WHEREAS**, Tom Green County, Texas, a "taxing unit" governed by the Act, desires to affirm its eligibility to participate in tax abatements; and,

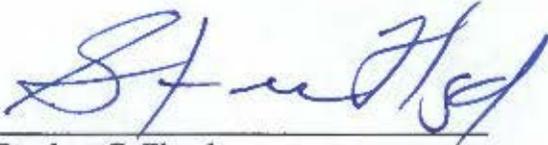
**WHEREAS**, the Commissioners' Court of Tom Green County, Texas, desires to adopt Guidelines and Criteria for property tax abatements;

**NOW, THEREFORE, BE IT ORDERED, by the Commissioner's Court of Tom Green County, Texas, that:**

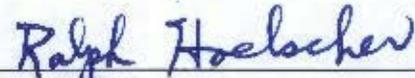
- (1) Tom Green County is eligible to participate in tax abatements; and further
- (2) the Guidelines and Criteria attached hereto as Exhibit A are hereby adopted by Tom Green County in accordance with the requirements of the Act.

[end of document – signature page follows]

The foregoing Resolution and Order was lawfully moved by Rick Bacon<sup>ch</sup>, duly seconded by Steve Floyd<sup>ch</sup>, and duly adopted by the Commissioner's Court of Tom Green County, Texas, on June 19, 2018.



Stephen C. Floyd  
County Judge



Ralph Hoelscher  
Commissioner Precinct 1



Aubrey deCordova  
Commissioner Precinct 2



Rick Bacon  
Commissioner Precinct 3



Bill A. Ford  
Commissioner Precinct 4

The foregoing Resolution and Order is a true and correct copy of the Resolution and Order passed by the Commissioners' Court in open and regular session at the Tom Green County Courthouse on June 19, 2018.



Elizabeth McGill  
County Clerk, Tom Green County, Texas



**Exhibit A**

**Duly Adopted Guidelines and Criteria**

[see attached]

## GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN REINVESTMENT ZONES

Tom Green County, Texas

### I. PURPOSE

Tom Green County, hereinafter referred to as “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 recommending tax incentives, which may include the designation of reinvestment zones, accepting applications for tax abatement, and entering into tax abatement agreements to stimulate growth and development.

It is the intent of the County that such incentives will be provided in accordance with the procedures and criteria outlined in this document and in Chapter 312 of the Texas Tax Code. However, nothing in these Guidelines and Criteria shall imply or suggest to be construed to imply or suggest that tax entities are under any obligation to provide any incentives to any applicant. All such applicants for tax incentives shall be considered on an individual basis for both the qualification for tax abatement and the amount of any tax abatement. The adoption of these Guidelines and Criteria shall not 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.

Only that increase in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement. All abatement contracts will be for a term no longer than allowed by law. Additionally, the Tom Green County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

### II. DEFINITIONS

The attached Glossary is a list of words with their definitions that are found in this document, and the Glossary is incorporated herein by reference.

### III. GUIDELINES AND CRITERIA

In order to be eligible for designation as a reinvestment zone and to receive tax abatement, the planned improvement as a minimum must meet the following:

- (a) Be an authorized Facility. A facility may be eligible for abatement if it is a(n):

Aquaculture/Agriculture Facility,

Distribution Center Facility,  
Manufacturing Facility,  
Office Building,  
Regional Entertainment/Tourism Facility,  
Research Facility,  
Regional Service Facility,  
Historic Building in designated area,  
Renewable Energy Facility, or  
Other Basic Industry

- (b) The project must be reasonably expected to have an increase in positive net economic benefit to Tom Green County of at least \$15,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and capital improvement. In consideration of the request for designation as a reinvestment zone and to receive tax abatement, the following factors will also be considered:
- (1) Jobs. The projected New Jobs created including the number of jobs, the retention of existing jobs, the type of jobs, the average payroll, the total payroll and the number of local persons hired.
  - (2) Fiscal Impact. The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, the amount of direct sales tax that will be generated, the infrastructure improvements by the County that will be required by the facility, the infrastructure improvements made by the facility, and the compatibility of the project with the County's development goals.
  - (3) Community Impact, including:
    - i. The pollution, if any, as well as other negative environmental impacts affecting the health and safety of the community that will be created by the project;
    - ii. The revitalization of a depressed area;
    - iii. The business opportunities of existing local vendors;
    - iv. The alternative development possibilities for proposed site;
    - v. The impact on other taxing entities, including the use of municipal or county infrastructure; and/or

- vi. Whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Tom Green County to another.

#### IV. ABATEMENT AUTHORIZED

- (a) **Authorized Date.** A facility may be eligible for tax abatement for a period not to exceed ten years or one-half of the productive life of the improvement, whichever is less. The “productive life” will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. If it has applied for such abatement prior to the commencement of construction provided that such facility meets the criteria granting tax abatement in reinvestment zones created in Tom Green County pursuant to these Guidelines and Criteria.
- (b) **Creation of New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to the filing of an application for tax abatement and specified in the abatement agreement between the County and the owner or lessee (and lessor if required pursuant to IV(f) of the facility or improvements receiving the abatement, all subject to such limitations as the Guidelines and Criteria may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion. If the modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).
- (d) **Eligible Property.** Abatement may be extended to the value of the following: new, expanded, replaced or modernized buildings and structures; fixed machinery and equipment; site improvements; office space and related fixed improvements necessary to the operation and administration of the facility; and all other real and tangible personal property as permitted by Chapter 312 of the Texas Tax Code.
- (e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement:
  - i. Land,
  - ii. Animals,
  - iii. Inventories,
  - iv. Supplies,
  - v. Tools,
  - vi. Furnishings and other forms of movable personal property other than machinery and equipment that are an essential part of the facility or improvements receiving abatement,
  - vii. Vehicles,
  - viii. Vessels,

- ix. Aircraft,
- x. Housing or residential property,
- xi. Fauna,
- xii. Flora,
- xiii. Deferred Maintenance investments,
- xiv. Property to be rented or leased (except as provided in Part IV(f)),
- xv. Any improvements including those to produce, store or distribute natural gas or fluids that are not integral to the operation of the facility, and
- xvi. Property owned or used by the State of Texas or its political subdivision or by any organization owned, operated or directed by a political subdivision of the State of Texas.

(f) **Owned/Leased Facilities.** If a leased facility or leased improvements are granted an abatement, the agreement shall be executed with the lessor and lessee of the facility or improvements. The owner of the real property where the facility or improvements are located is not required to execute the abatement agreement if it is not the lessor or lessee of the facility or improvements.

(g) **Value and Term of Abatement.**

1) Abatement shall be granted effective no earlier than the January 1 valuation date immediately following the date of execution of the agreement. The agreement may provide that the period for which the abatement applies will commence on a later date. The value of new eligible property shall be abated according to the approved agreement between applicant and the governing body. The Tom Green County Commissioners Court, in its sole discretion, shall determine the amount of any abatement.

(h) **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:

1) Must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Tom Green County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abate period. The following is applicable to the employment retention/preventing loss of employment requirement:

a) “Existing facility” is the facility is a Manufacturing Facility, Research Facility, Distribution Center or Regional Facility,

Regional Entertainment Facility, Other Basic Industry, or a facility the Commissioners Court determines would enhance job creation and the economic future of Tom Green County. The facility must be expanded or modernized and contain the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for the purposes of Section 2(h)(1) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whoever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized “existing facility” in order for the facility improvements to qualify for abatement.

- b) Employees of a larger plant until transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered “created” employment for purposes of this sub-section.
- c) The proposed number of employees to be employed at the abate facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-subsection and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.
- d) Full-time employee creation requirements for Renewable Energy Facilities to be determined by Commissioners Court.

- 2) Must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be request relative to this provision which approval shall be at the sole discretion of the County.
- 3) Must be necessary because capacity cannot be provided efficiently utilizing existing improved property.

Additionally, the owner of the project:

- 4) Will be wholly responsible for all County roads and right-of-way (including bridges, culverts, ditches, etc) and damaged caused thereto as a result of the construction of an on-going maintenance and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:
  - a) Cost to maintain the roads, if needed, utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by Tom Green County and invoiced on a regular basis to the Abatee.
  - b) Cost to reconstruct the roadway, if needed, will be actual cost to repair the County roads and right-of-way incurred by the County and invoiced to the Abatee. These costs will include all construction costs as well as all related professional services for the repair work.
- (i) Taxability. From the execution of the abatement contract to the end of the period during which the abatement applies, taxes shall be payable as follows:
  - (1) The value of ineligible property as provided in Part IV(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 taxable in the manner described in the abatement agreement.

## V. APPLICATION FOR TAX ABATEMENT

- (a) Any present or potential owner, assignee, or lessee of taxable property in Tom Green County may request the creation of a reinvestment zone and the consideration of a tax abatement agreement by filing a written request with the County. The completed Application must be accompanied by the payment of a one thousand dollar (\$1000) non-refundable application fee for administrative

costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Tom Green County.

- (b) The application shall consist of a completed application form (if provided by the County) accompanied by:
  - (1) A general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken;
  - (2) A descriptive list of the improvements which will be part of the facility;
  - (3) A map and property description or a site plan;
  - (4) A time schedule for undertaking and completing the planned improvements; and
  - (5) In the case of modernizing or replacing existing facilities in whole or in part, a statement of the assessed value of the facility separately stated for real and personal property for the tax year immediately preceding the year in which the application is filed.

The County may require that the application be supplemented with such financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant.

- (c) Upon receipt of a completed application, the County shall, through public hearings, afford the applicant and the designated representative of any Affected Jurisdiction the opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on an agenda of the Tom Green County Commissioners Court to be posted at least seven (7) days prior to the hearing.
- (d) The County shall consider the application for tax abatement within thirty (30) days after receipt of the application and notify the applicant of the approval or disapproval promptly thereafter.
- (e) A request for reinvestment zone for the purpose of abatement shall not be granted by the County if the County finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of taxable improvements related to a proposed modernization expansion or new facility. Before the Tom Green County Commissioners Court holds a public hearing to designate a reinvestment zone, it shall do the following:

- (1) Not later than the seventh day before the date of the hearing, publish notice of the hearing in a newspaper having general circulation in the County; and
  - (2) Not later than the seventh day before the date of the hearing, deliver written notice of the hearing to the presiding officer of the governing body of each taxing unit that includes in its boundaries any real property that is to be included in the proposed reinvestment zone.
- (f) Requested Variances. Requests for variance from any provision of these Guidelines and Criteria may be made in written form to the Tom Green County Commissioners Court. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the Tom Green County Commissioners Court.
- (g) Deemed Variances. The Tom Green County Commissioners' Court may approve a tax abatement agreement that varies from any requirement in these Guidelines and Criteria so long as such variance is permitted by Chapter 312 of the Texas Tax Code. Any aspect of a tax abatement agreement duly authorized and approved by the Tom Green County Commissioners' Court that varies in any respect from any requirement in these Guidelines and Criteria shall be deemed to have been granted a variance from the Guidelines and Criteria by the Court. It is the express intention of the Tom Green County Commissioners Court that no tax abatement agreement that has been duly authorized and approved by the Court shall be challenged or held to be invalid because such authorized and approved tax abatement agreement varies from any requirement contained in these Guidelines and Criteria.

## VI. PUBLIC HEARING

- (a) Should any Affected Jurisdiction be able to show cause in the public hearing why the granting of abatement by the County will have a substantial adverse effect on its bonds, tax revenue, service incapacity or the provision of service, that showing shall be considered by the Tom Green County Commissioners Court when deciding to approve or disapprove of the application for tax abatement.
- (b) Neither a reinvestment zone nor an abatement shall be authorized if it is determined that:
  - (1) There would be a substantial adverse effect on the provision of a government service or the tax base of an Affected Jurisdiction;
  - (2) The applicant has insufficient financial capacity to construct and operate the proposed facility or improvements;

- (3) The planned or potential use of the property would constitute a hazard to public safety, health, or morals; or
- (4) The planned or potential use of the property violates other governmental codes or laws.

## VII. AGREEMENT

- (a) If an application for tax abatement is approved by the Tom Green County Commissioners Court, the Court shall formally pass a resolution and execute an agreement with the owner and/or lessee of the facility which shall include:
  - (1) The percentage of value to be abated each year as provided in Part IV(g) of these Guidelines and Criteria.
  - (2) The commencement date and the termination date of abatement.
  - (3) The proposed use of the facility, nature of construction, time schedule for undertaking and completing the planned improvements, map, property description, and improvements list as provided in Part V of these Guidelines and Criteria.
  - (4) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration and assignment (as provided in the agreement), and other provisions that may be required for uniformity or by state law or that are mutually agreed to by the County and the applicant.
  - (5) Amount of investment and/or average number of jobs applicant commits to create for the period of abatement.
  - (6) Any other provisions required by Chapter 312 of the Texas Tax Code.
- (b) The County will use its best efforts to cause such agreement to be executed within thirty (30) days after the later of the date applicant has forwarded all necessary information to the jurisdiction receiving the application or the date of the approval of the application. Prior to the execution of the Agreement, the County will comply with the following notice requirement in Tax Code § 312.2041(a):

Not later than the seventh day before the date on which a municipality or county enters into an abatement agreement, the governing body of the municipality or county or a designated officer or employee of the municipality or county shall deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located

a written notice that the municipality or county intends to enter into the agreement. The notice must include a copy of the proposed agreement.

- (c) Each other taxing unit that has jurisdiction over the facility or improvements for which the County approves or disapproves an application for tax abatement shall make its own determination of abatement (if requested by the applicant) which shall not bind any other Affected Jurisdiction.

#### VIII. RECAPTURE

- (a) In the event that the facility or improvements are completed and begin operating but subsequently discontinue operating for any reason excepting a force majeure event (as such event may be more specifically defined in the tax abatement agreement) for a period of more than one (1) year during the abatement period, then the abatement agreement shall terminate along with the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination. The County is permitted to enter into a tax abatement agreement that varies from the provisions of this paragraph without being deemed to be in violation of these Guidelines and Criteria so long as the agreement provides for the recapture of property taxes in the event that the approved facility or improvement discontinue operations during the period of tax abatement.
- (b) If the County determines that a party to a tax abatement agreement is in default according to the terms and conditions of its agreement, the County shall notify the party in writing at the address stated in the agreement, and if such is not cured within sixty (60) days from the date of such notice, then the agreement shall be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination. Further, it will be a default under a tax abatement granted pursuant to these Guidelines and Criteria if the owner of the eligible property subject to the abatement is delinquent in paying any undisputed taxes to any taxing authority in Tom Green County, Texas. The County is permitted to enter into a tax abatement agreement that varies from the provisions of this paragraph without being deemed to be in violation of these Guidelines and Criteria so long as the agreement provides for the recapture of property tax in the event that the applicant named in the tax abatement agreement defaults in its obligations under the agreement.

#### IX. ADMINISTRATION

- (a) The Chief Appraiser of the Tom Green County Appraisal District shall annually determine an assessment of any real and/or personal property that is the subject of a tax abatement agreement. Each party to a tax abatement agreement shall be

required to furnish the assessor with such information as may be necessary to determine an assessment. Once a value has been established, the Chief Appraiser shall notify the Affected Jurisdictions of the appraised value.

- (b) The abatement agreement shall stipulate that employees and/or designated representatives of the County will have access to the facility or improvements that are the subject of the agreement during the term of the abatement to inspect the facility or improvements to determine if the terms and conditions of the agreement are being met. The terms, guidelines, and requirements concerning inspections shall be set forth in the abatement agreement.
- (c) After the period of abatement begins, the County shall annually evaluate each facility receiving abatement and report possible violations of the abatement agreement to the Tom Green County Commissioners Court. The abatement agreement may also require the party receiving the abatement to file annual certifications with the County.
- (d) All proprietary information acquired by the County for purposes monitoring compliance with the terms and conditions of an abatement agreement shall be considered confidential.
- (e) “Buy Local” Provision. Each recipient of property tax abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency.
- (f) Right to Modify or Cancel. Notwithstanding anything herein, Tom Green County may cancel or modify Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones if an owner fails to comply with the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones.

#### X. ASSIGNMENT

- (a) Except as otherwise provided in the abatement agreement, an abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Tom Green County Commissioners Court, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of an assignment and assumption agreement between the holder of the agreement and the assignee. Approval shall not be unreasonably withheld.
- (b) No assignment or transfer shall be approved if the party/parties to the existing agreement or the proposed assignee is liable to any taxing jurisdiction for outstanding taxes or other obligations.

## XL SUNSET PROVISION

- (a) These Guidelines and Criteria are effective upon the date of the adoption and will remain in force for two (2) years unless amended by three quarters vote of the Tom Green County Commissioners Court, at which time all reinvestment zones and tax abatement contracts created pursuant hereto will be reviewed by each Affected Jurisdiction to determine whether the goals have been achieved. Based on that review, these Guidelines and Criteria may be modified, renewed, or not renewed, providing that such actions shall not affect existing abatement agreements.
- (b) These Guidelines and Criteria do not amend any existing Industrial District Contracts or agreements with the owners of real property in areas deserving of specific attention as agreed by the Affected Jurisdiction.

## XII. SEVERABILITY AND LIMITATIONS

- (a) In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.
- (b) Property that is located in a reinvestment zone and that is owned or leased by a person who is a member of the Commissioners Court may not be subject to a tax abatement agreement entered into with the County.
- (c) If these Guidelines and Criteria have omitted any mandatory requirements of the applicable tax abatement laws of the State of Texas, then such requirements are hereby incorporated as a part of these Guidelines and Criteria.

## XIII. TAX ABATEMENT DETERMINATION

- (a) Nothing herein shall imply or suggest Tom Green County is under any obligation or duty to provide tax abatement to any applicant, and reserves the right to make exceptions, approve, and deny based on concerns including, however not limited to environmental and quality of life issues and/or compatibility with the economic goals and objectives of Tom Green County.

## GLOSSARY:

- (a) “Abatement” means the full or partial exemption from ad valorem taxes of certain real or tangible personal property in a reinvestment zone designated by the County or a municipality for economic development purposes.

- (b) “Aquaculture/Agriculture Facility” means building, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is of food and/or fiber products in commercially marketable quantities.
- (c) “Affected Jurisdiction” means Tom Green County and any municipality, or school district, the majority of which is located in Tom Green County that levies ad valorem taxes upon and/or provides services to property located within the proposed or existing reinvestment zone designated by Tom Green County or any municipality.
- (d) “Agreement” means a contractual agreement between a property owner and/or lessee and the County for the purpose of tax abatement.
- (e) “Base year value” means the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the filing of an application for tax abatement.
- (f) “Deferred maintenance” means improvements necessary for continued operations which do not improve productivity or alter the process of technology.
- (g) “Distribution Center Facility” means building and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility from which a majority of revenue generated by activity at the facility are derived from outside of Tom Green County.
- (h) “Expansion” means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (i) “Facility” means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) “Manufacturing Facility” means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (k) “Modernization” means the upgrading and or replacement of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.

- (l) “New Facility” means improvements to real estate previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (m) “New Jobs” means a newly created employment position on a full-time permanent basis. Two or more part-time permanent employees totaling an average of not less than 40 hours per week may be considered as one full-time permanent employee.
- (n) “Office Building” means a new office building.
- (o) “Other Basic Industry” means buildings and structures, including fixed machinery and equipment not elsewhere described used or to be used for the production of products or services which serve a market primarily outside the County and results in the creation of new permanent jobs and new wealth in the County.
- (p) “Regional Entertainment/Tourism Facility” means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside Tom Green County.
- (q) “Research Facility” means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production process thereto.
- (r) “Regional Service Facility” means buildings and structures, including fixed machinery and equipment, used or to be used to provide a service from which a majority of revenues generated by activity at the facility are derived from outside Tom Green County.
- (s) “Renewable Energy Facility” means buildings and structures, including but not limited to electricity generating equipment (such as wind turbines or photovoltaic solar panels), electric transmission lines, electric power substations, electrical gathering equipment, communications systems and roads, fixed machinery and equipment, used or to be used to provide electrical energy, and which meet the definition of “Renewable Energy Electric Generation” in Chapter 313 of the Texas Tax Code.

Tab 17

**Signature and Certification page**

**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** → Anajie Smetana Superintendent  
Print Name (Authorized School District Representative) Title

**sign here** → Anajie Smetana May 14, 2019  
Signature (Authorized School District Representative) Date

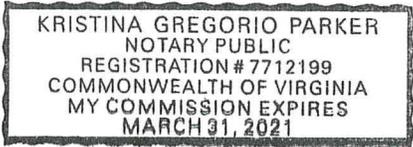
**2. Authorized Company Representative (Applicant) Signature and Notarization**

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** → Gordon J. Trausdale Chief Financial Officer  
Print Name (Authorized Company Representative (Applicant)) Title

**sign here** → Gordon J. Trausdale 5/12/19  
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the  
12 day of May, 2019  
Kristina Parker  
 Notary Public in and for the State of Texas Virginia  
 My Commission expires: 3/31/21

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.

## Attachment B

### Franchise Tax Account Status



## Franchise Tax Account Status

As of : 10/29/2019 08:59:24

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

<b>ANGELO SOLAR, LLC</b>	
<b>Texas Taxpayer Number</b>	32067350358
<b>Mailing Address</b>	1601 ELM ST STE 4360 DALLAS, TX 75201-4701
<b>? Right to Transact Business in Texas</b>	ACTIVE
<b>State of Formation</b>	DE
<b>Effective SOS Registration Date</b>	06/01/2018
<b>Texas SOS File Number</b>	0803032282
<b>Registered Agent Name</b>	COGENCY GLOBAL INC.
<b>Registered Office Street Address</b>	1601 ELM ST., SUITE 4360 DALLAS, TX 75201

## Attachment C

### State Comptroller's Certification



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

September 18, 2019

Angie Smetana  
Superintendent  
Grape Creek Independent School District  
8207 US Hwy. 87 North  
San Angelo, Texas 76901

Re: Certificate for Limitation on Appraised Value of Property for School District  
Maintenance and Operations taxes by and between Grape Creek Independent School  
District and Angelo Solar, LLC, Application 1376

Dear Superintendent Smetana:

On July 19, 2019, the Comptroller issued written notice that Angelo Solar, LLC (applicant) submitted a completed application (Application 1376) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on May 13, 2019, to the Grape Creek Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.  
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

<sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1376.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

### **Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of July 19, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

### Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Angelo Solar, LLC (project) applying to Grape Creek Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of Angelo Solar, LLC.

Applicant	Angelo Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation – Solar
School District	Grape Creek ISD
2017-2018 Average Daily Attendance	1,061
County	Tom Green
Proposed Total Investment in District	\$142,924,263
Proposed Qualified Investment	\$142,924,263
Limitation Amount	\$40,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$866
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$866
Minimum annual wage committed to by applicant for qualified jobs	\$45,017
Minimum weekly wage required for non-qualifying jobs	\$828
Minimum annual wage required for non-qualifying jobs	\$43,070
Investment per Qualifying Job	\$71,462,132
Estimated M&O levy without any limit (15 years)	\$9,590,554
Estimated M&O levy with Limitation (15 years)	\$5,439,874
Estimated gross M&O tax benefit (15 years)	\$4,150,680

\* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of Angelo Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	120	158	278	\$7,500,000	\$14,447,000	\$21,947,000
2022	0	12	12.071	\$0	\$2,411,000	\$2,411,000
2023	2	10	12	\$90,034	\$1,907,966	\$1,998,000
2024	2	4	6	\$90,034	\$1,238,966	\$1,329,000
2025	2	1	3	\$90,034	\$838,966	\$929,000
2026	2	0	2	\$90,034	\$611,966	\$702,000
2027	2	0	2	\$90,034	\$497,966	\$588,000
2028	2	1	3	\$90,034	\$460,966	\$551,000
2029	2	1	3	\$90,034	\$461,966	\$552,000
2030	2	2	4	\$90,034	\$477,966	\$568,000
2031	2	2	4	\$90,034	\$536,966	\$627,000
2032	2	3	5	\$90,034	\$609,966	\$700,000
2033	2	4	6	\$90,034	\$681,966	\$772,000
2034	2	4	6	\$90,034	\$749,966	\$840,000
2035	2	4	6	\$90,034	\$805,966	\$896,000
2036	2	4	6	\$90,034	\$846,966	\$937,000
2037	2	4	6	\$90,034	\$856,966	\$947,000

Source: CPA REMI, Angelo Solar, LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Grape Creek ISD I&S Tax Levy	Grape Creek ISD M&O Tax Levy	Grape Creek ISD M&O and I&S Tax Levies	Tom Green County Tax Levy	Tom Green Emergency Service Tax Levy	Lipan Kickapoo Water District Tax Levy	Estimated Total Property Taxes
				0.2060	1.0500		0.5450	0.0286	0.0103	
2023	\$133,062,489	\$133,062,489		\$274,109	\$1,397,156	\$1,671,265	\$725,191	\$38,069	\$13,705	\$2,448,230
2024	\$122,400,339	\$122,400,339		\$252,145	\$1,285,204	\$1,537,348	\$667,082	\$35,019	\$12,607	\$2,252,056
2025	\$110,894,936	\$110,894,936		\$228,444	\$1,164,397	\$1,392,840	\$604,377	\$31,727	\$11,422	\$2,040,367
2026	\$98,460,525	\$98,460,525		\$202,829	\$1,033,836	\$1,236,664	\$536,610	\$28,170	\$10,141	\$1,811,585
2027	\$85,039,936	\$85,039,936		\$175,182	\$892,919	\$1,068,102	\$463,468	\$24,330	\$8,759	\$1,564,658
2028	\$70,547,416	\$70,547,416		\$145,328	\$740,748	\$886,076	\$384,483	\$20,184	\$7,266	\$1,298,009
2029	\$54,897,209	\$54,897,209		\$113,088	\$576,421	\$689,509	\$299,190	\$15,706	\$5,654	\$1,010,059
2030	\$37,989,269	\$37,989,269		\$78,258	\$398,887	\$477,145	\$207,042	\$10,869	\$3,913	\$698,968
2031	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2032	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2033	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2034	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2035	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2036	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2037	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
			<b>Total</b>	<b>\$1,881,575</b>	<b>\$9,590,554</b>	<b>\$11,472,129</b>	<b>\$4,977,954</b>	<b>\$261,320</b>	<b>\$94,079</b>	<b>\$16,805,482</b>

Source: CPA, Angelo Solar, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Tom Green County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Grape Creek ISD I&S Tax Levy	Grape Creek ISD M&O Tax Levy	Grape Creek ISD M&O and I&S Tax Levies	Tom Green County Tax Levy	Tom Green Emergency Service Tax Levy	Lipan Kickapoo Water District Tax Levy	Estimated Total Property Taxes
				0.2060	1.0500		0.5450	0.0286	0.0103	
2023	\$133,062,489	\$40,000,000		\$274,109	\$420,000	\$694,109	\$725,191	\$38,069	\$13,705	\$1,471,074
2024	\$122,400,339	\$40,000,000		\$252,145	\$420,000	\$672,145	\$667,082	\$35,019	\$12,607	\$1,386,853
2025	\$110,894,936	\$40,000,000		\$228,444	\$420,000	\$648,444	\$604,377	\$31,727	\$11,422	\$1,295,970
2026	\$98,460,525	\$40,000,000		\$202,829	\$420,000	\$622,829	\$536,610	\$28,170	\$10,141	\$1,197,750
2027	\$85,039,936	\$40,000,000		\$175,182	\$420,000	\$595,182	\$463,468	\$24,330	\$8,759	\$1,091,739
2028	\$70,547,416	\$40,000,000		\$145,328	\$420,000	\$565,328	\$384,483	\$20,184	\$7,266	\$977,261
2029	\$54,897,209	\$40,000,000		\$113,088	\$420,000	\$533,088	\$299,190	\$15,706	\$5,654	\$853,639
2030	\$37,989,269	\$37,989,269		\$78,258	\$398,887	\$477,145	\$207,042	\$10,869	\$3,913	\$698,968
2031	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2032	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2033	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2034	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2035	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2036	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
2037	\$28,584,853	\$28,584,853		\$58,885	\$300,141	\$359,026	\$155,787	\$8,178	\$2,944	\$525,936
			<b>Total</b>	<b>\$1,881,575</b>	<b>\$5,439,874</b>	<b>\$7,321,449</b>	<b>\$4,977,954</b>	<b>\$261,320</b>	<b>\$94,079</b>	<b>\$12,654,802</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$4,150,680</b>	<b>\$4,150,680</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,150,680</b>

Assumes School Value Limitation.

Source: CPA, Angelo Solar, LLC

\*Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Angelo Solar, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2020	\$0	\$0	\$0	\$0
	2021	\$1,125,529	\$1,125,529	\$0	\$0
	2022	\$1,500,705	\$2,626,233	\$0	\$0
<b>Limitation Period (10 Years)</b>	2023	\$420,000	\$3,046,233	\$977,156	\$977,156
	2024	\$420,000	\$3,466,233	\$865,204	\$1,842,360
	2025	\$420,000	\$3,886,233	\$744,397	\$2,586,757
	2026	\$420,000	\$4,306,233	\$613,836	\$3,200,592
	2027	\$420,000	\$4,726,233	\$472,919	\$3,673,511
	2028	\$420,000	\$5,146,233	\$320,748	\$3,994,259
	2029	\$420,000	\$5,566,233	\$156,421	\$4,150,680
	2030	\$398,887	\$5,965,121	\$0	\$4,150,680
	2031	\$300,141	\$6,265,262	\$0	\$4,150,680
	2032	\$300,141	\$6,565,403	\$0	\$4,150,680
<b>Maintain Viable Presence (5 Years)</b>	2033	\$300,141	\$6,865,544	\$0	\$4,150,680
	2034	\$300,141	\$7,165,684	\$0	\$4,150,680
	2035	\$300,141	\$7,465,825	\$0	\$4,150,680
	2036	\$300,141	\$7,765,966	\$0	\$4,150,680
	2037	\$300,141	\$8,066,107	\$0	\$4,150,680
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2038	\$300,141	\$8,366,248	\$0	\$4,150,680
	2039	\$300,141	\$8,666,389	\$0	\$4,150,680
	2040	\$300,141	\$8,966,530	\$0	\$4,150,680
	2041	\$300,141	\$9,266,671	\$0	\$4,150,680
	2042	\$300,141	\$9,566,812	\$0	\$4,150,680
	2043	\$300,141	\$9,866,953	\$0	\$4,150,680
	2044	\$300,141	\$10,167,094	\$0	\$4,150,680
	2045	\$300,141	\$10,467,235	\$0	\$4,150,680
	2046	\$300,141	\$10,767,376	\$0	\$4,150,680
	2047	\$300,141	\$11,067,517	\$0	\$4,150,680

\$11,067,517
   is greater than  \$4,150,680

<b>Analysis Summary</b>	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.  
 Source: CPA, Angelo Solar, LLC

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## **Attachment C – Limitation as a Determining Factor**

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### **Methodology**

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

### **Determination**

The Comptroller has determined that the limitation on appraised value is a determining factor in the Angelo Solar, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Angelo Solar, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Apex, the ultimate parent company of Angelo Solar, LLC, has been in the renewable energy sector for over nine years and has capabilities in the development, financing, construction and operation of over 14,000 MW of independent power assets throughout the United States, of which over 1000 MW have the opportunity to be developed in Texas.”
  - B. “The Project is in the middle stages of development as of the date of this application. This Project was selected as a candidate to explore for development because of the abundant solar resource and investment made in Tom Green County, access to the ERCOT market, and the favorable property tax incentives under the Tax Code, including the potential availability of tax abatement agreements under Tax Code Chapter 312 and a value limitation agreement under Tax Code Chapter 313.”
  - C. “Apex has publicly announced the Project by listing it on Apex Clean Energy's website as a project in development. At the time that the initial Project land leases were executed with landowners, the Project was known by the name "Concho Solar, LLC." The Project filed its initial application with ERCOT using this name, but ERCOT notified Apex that the proposed name conflicted with another pending application. At that time, the Project changed its name to Angelo Solar, LLC. The Project applied to ERCOT on September 6, 2018, and its GINR number is 19INR0203.”
  - D. “The only agreements that Applicant has entered into for this Project are written lease agreements with landowners that permit the installation of solar energy project facilities on the land. The written leases may be terminated by Applicant if it elects not to construct the Project.”
  - E. “The approval of the Project's application for a Chapter 313 Appraised Value Limitation remains an essential factor in the Project being selected for development by Apex. A myriad of variables remain undetermined at this early stage, and Apex could elect to allocate resources to other developable counties and/or states competing for similar projects where Apex has land interests.”

- F. "Apex would like to develop and build its proposed project, but given the number of undetermined variables at this early stage, a Chapter 313 Appraised Value Limitation Agreement is necessary to make the economics of the project viable by providing relief for the greatest operational cost of the project. If Apex cannot secure a Chapter 313 Appraised Value Limitation Agreement, resources will be likely reallocated to other developable counties and/or states competing for similar projects where Apex has land interests. Apex is currently developing the following facilities that are competing for investment capital with the proposed project in Tom Green County: A large Solar farm in Texas known internally as "Wilmeth Solar"; "A large Solar farm in Texas known internally as "Desert Rose"; "A large Solar farm in Virginia known internally as "Carvers Creek"; A large Solar farm in North Carolina known internally as "Island Creek"; A large wind farm in Texas known internally as "Young Wind"; A large wind farm in Texas known internally as "Black Angus Wind"; A large wind farm in Illinois known internally as "Lincoln Land"; A large wind farm in Minnesota known internally as "Big Bend"; A large wind farm in Indiana known internally as "Roaming Bison"; A large wind farm in Colorado known internally as "Antelope Creek"; and a large wind farm in New Mexico known internally as "Grady Martin" A large wind farm in Kansas known internally as "Jayhawk."
- According to a Regular Meeting of the Board of Trustees of Grape Creek ISD dated May 14, 2019, "Discuss and Consider Action: APEX Clean Energy Application for an Appraised Value Limitation on Property; to authorize Superintendent to review and submit Application to Comptroller, and to enter into agreements to extend deadlines for Board beyond 150 days, subject to Board ratification."
  - Supplemental information provided by the applicant indicated the following:
    - A. "The project was previously registered as Concho Solar, LLC, until ERCOT required a name change. This name was in conversations between Apex developers and the project landowners, Queen Bees, LTD."
    - B. "19INR0203--- Issued at start of screening study 11/20/2018."

#### **Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

# **Supporting Information**

**Section 8 of the Application for  
a Limitation on Appraised Value**

**SECTION 6: Eligibility Under Tax Code Chapter 313.024**

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

**SECTION 7: Project Description**

1. In **Tab 4**, 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.
2. Check the project characteristics that apply to the proposed project:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

**SECTION 8: Limitation as Determining Factor**

1. Does the applicant currently own the land on which the proposed project will occur?  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur?  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site?  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?  Yes  No

**Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.**

## **Supporting Information**

Attachments provided in Tab 5  
of the Application for a  
Limitation on Appraised Value

**Documentation to assist in determining if limitation is a determining factor**

Apex, the ultimate parent company of Angelo Solar, LLC, has been in the renewable energy sector for over nine years and has capabilities in the development, financing, construction and operation of over 14,000 MW of independent power assets throughout the United States, of which over 1000 MW have the opportunity to be developed in Texas.

The Project is in the middle stages of development as of the date of this application. This Project was selected as a candidate to explore for development because of the abundant solar resource and investment made in Tom Green County, access to the ERCOT market, and the favorable property tax incentives under the Tax Code, including the potential availability of tax abatement agreements under Tax Code Chapter 312 and a value limitation agreement under Tax Code Chapter 313.

Apex has publicly announced the Project by listing it on Apex Clean Energy's website as a project in development. At the time that the initial Project land leases were executed with landowners, the Project was known by the name "Concho Solar, LLC." The Project filed its initial application with ERCOT using this name, but ERCOT notified Apex that the proposed name conflicted with another pending application. At that time, the Project changed its name to Angelo Solar, LLC. The Project applied to ERCOT on September 6, 2018, and its GINR number is 19INR0203.

The only agreements that Applicant has entered into for this Project are written lease agreements with landowners that permit the installation of solar energy project facilities on the land. The written leases may be terminated by Applicant if it elects not to construct the Project.

The approval of the Project's application for a Chapter 313 Appraised Value Limitation remains an essential factor in the Project being selected for development by Apex. A myriad of variables remain undetermined at this early stage, and Apex could elect to allocate resources to other developable counties and/or states competing for similar projects where Apex has land interests.

Apex would like to develop and build its proposed project, but given the number of undetermined variables at this early stage, a Chapter 313 Appraised Value Limitation Agreement is necessary to make the economics of the project viable by providing relief for the greatest operational cost of the project. If Apex cannot secure a Chapter 313 Appraised Value Limitation Agreement, resources will be likely reallocated to other developable counties and/or states competing for similar projects where Apex has land interests. Apex is currently developing the following facilities that are competing for investment capital with the proposed project in Tom Green County:

- a. A large Solar farm in Texas known internally as "Wilmeth Solar;"
- b. A large Solar farm in Texas known internally as "Desert Rose;"
- c. A large Solar farm in Virginia known internally as "Carvers Creek";
- d. A large Solar farm in North Carolina known internally as "Island Creek";
- e. A large wind farm in Texas known internally as "Young Wind";
- f. A large wind farm in Texas known internally as "Black Angus Wind";
- g. A large wind farm in Illinois known internally as "Lincoln Land";

- h. A large wind farm in Minnesota known internally as "Big Bend";
- i. A large wind farm in Indiana known internally as "Roaming Bison";
- j. A large wind farm in Colorado known internally as "Antelope Creek"; and
- k. A large wind farm in New Mexico known internally as "Grady Martin"
- l. A large wind farm in Kansas known internally as "Jayhawk."

# Supporting Information

Additional information  
provided by the Applicant or  
located by the Comptroller

# Agenda of Regular Meeting

## The Board of Trustees Grape Creek ISD

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A Regular Meeting of the Board of Trustees of Grape Creek ISD will be held May 14, 2019, beginning at 6:30 PM in the GCISD Community Room, 8207 US Highway 87 North, San Angelo, Texas.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

- I. Call to Order
- II. Roll Call
- III. Welcome to Community Patrons and Visitors
- IV. Pledge of Allegiance
- V. Invocation
- VI. Information Items
  - A. District Goals
  - B. Superintendent's Report
    - 1. Campus Reports
      - a. STAAR Results
      - b. Student Recognition
        - (1) Special Olympics
        - (2) Intermediate DARE Essay Winners
        - (3) MS Robotics - State Qualifiers
        - (4) MS National Junior Honor Society Outstanding Achievement Awardees
        - (5) MS 8th Grade Boys Back-to-Back District Track Champions
        - (6) HS Ag Science
        - (7) HS Band
        - (8) HS UIL
        - (9) Family and Consumer Science

(10) Post-secondary Education and Military

(11) Promethean Board Presentation

C. Action Items

1. CLOSED (EXECUTIVE SESSION): There will be a closed session pursuant to the Texas Open Meetings Act for the Board to discuss or deliberate regarding commercial or financial information received from APEX Clean Energy with whom the District may be commencing economic development negotiations (Texas Gov't Code, Section 551.087).
2. Discuss and Consider Action: APEX Clean Energy Application for an Appraised Value Limitation on Property; to authorize Superintendent to review and submit Application to Comptroller, and to enter into agreements to extend deadlines for Board beyond 150 days, subject to Board ratification.
3. Discuss and Consider Action: Retain consultants, Culwell Consulting, LLC and O'Hanlon, Demerath and Castillo to assist in processing Application for Appraised Value Limitation on Qualified Property from APEX Wind Energy.

D. Information Items

1. Superintendent's Report (continued)
  - a. Enrollment Report
  - b. Fairview Report
  - c. In School Suspension (ISS) Report
  - d. Special Populations Report
  - e. Athletic Report
  - f. Transportation Report
  - g. Technology Report
  - h. Food Service Report
  - i. Maintenance Report
  - j. Review Annual School Health Advisory Committee (SHAC) Report
2. Facility Report
  - a. Phase 3 Construction - New Middle School
3. Calendar Reminders
  - a. Early Release - All Campuses and Offices - Wednesday and Thursday, May 22 and 23.
  - b. Groundbreaking for Galilee CDC home across from High School - May 22 Time TBA
  - c. Annual Employee Breakfast - 9:00 am Friday, May 24 - HS Cafetorium.
  - d. High School Graduation - 8:00 pm May 24 - ASU Junell Center (report at 7:30 in the same room as last year).
  - e. Memorial Day Holiday - May 27 - All Offices Closed.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
- Grape Creek ISD - Angelo Solar, LLC, App. #1376

Comptroller Questions (via email on August 30, 2019):

1. *Please list any other names by which this project may have known in the past--in media reports, investor presentations, or any listings with any federal or state agency.*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned.*

Applicant Response (via email on August 30, 2019):

1. *The project was previously registered as Concho Solar, LLC, until ERCOT required a name change. This name was in conversations between Apex developers and the project landowners, Queen Bees, LTD.*
2. *19INR0203--- Issued at start of screening study 11/20/2018.*

# Attachment D

## Summary of Financial Impact

# Chapter 313 Financial Impact Study

*An analysis of the potential Chapter 313 Agreement  
between Angelo Solar LLC and the Grape Creek  
Independent School District*

*Prepared September 17, 2019*



## **Overview**

On May 13, 2019, the Angelo Solar LLC solar project (Applicant) submitted an application for appraised value limitation on qualified property to the Grape Creek Independent School District (GCISD). The Applicant is requesting GCISD agree to limit the maintenance and operations (M&O) taxable value of the Applicant's project for a ten-year period to \$40,000,000. As put forth in the application, the first year of the limitation period would begin in the 2023 tax year. Any potential Ch. 313 agreement does not affect the Applicant's taxable value for Interest and Sinking (I&S) tax rate purposes.

Culwell Consulting was engaged by GCISD to analyze the impact of the potential value limitation agreement upon the overall M&O revenue of GCISD. An agreement entered into by the parties provides for the protection of any M&O revenue losses due to the granting of the \$40 million value limitation. This report provides the programmatic details, pertinent aspects of the Texas school finance system, and in-depth analysis needed to understand the financial impact of such an agreement upon the GCISD general fund.

This analysis concludes that the effects of a value limitation agreement upon the finances of GCISD would result in GCISD foregoing \$1,372,784 in M&O revenue in the 2023-24 school year. After payout of these losses by the Applicant, the Applicant's tax savings are estimated to be \$2,817,426. This tax savings amount does not take into consideration any negotiated supplemental payments made to the school district.

## **Background**

In 2001, The 77th Texas Legislature passed HB 1200 enacting the Texas Economic Development Act. Established under Ch. 313 of the Texas Tax Code, the program has become more commonly referred to as Ch. 313. This program enables school districts to limit the maintenance and operations (M&O) taxable value of qualified economic development projects for a ten-year period.

Several types of projects are eligible to receive value limitations under Chapter 313 of the Tax Code. The proposed solar electric energy generation project put forth in the Applicant's application qualifies under Texas Tax Code 313.024(b)(5).

As a result of such limitation being granted, the Applicant's project would receive two taxable values beginning in the 2023 tax year. First, the project would be assessed at \$40 million for M&O tax purposes under the terms of the Ch. 313 agreement. Second, the project will receive a full

taxable value from the local appraisal district for the GCISD's I&S tax purposes. This will continue for the ten-year limitation period after which the project will be fully taxable for M&O tax purposes. Please note, that any taxable value of the project either prior to or after the ten-year limitation period is fully taxable for M&O tax purposes.

For the ten-year limitation period, the school district's M&O tax rate is only applied to the \$40 million. The result of which is substantial tax savings for the Applicant.

The Ch. 313 Agreement drafted by O'Hanlon, Demerath & Castillo ensures that GCISD is protected against any loss in revenue incurred by the district's M&O general fund. This calculated amount is commonly referred to as the school district's Ch. 313 revenue loss and discussed below in detail.

Additionally, the two parties are able to negotiate a supplemental payment, which allows for a partial sharing of the Applicant's tax savings with the school district. Under Texas Tax Code 313.027(i), these payments may not exceed \$100 per average daily attendance and may only occur from the first year of the qualified time period to the third year after the value limitation expires. The exact terms of the supplemental payment will be set in the final Ch. 313 Agreement.

## **School Finance**

To fund the maintenance and operation of Texas public schools, the state's school finance system relies on local tax collections and state aid. The method of determining state aid is a complex system that further breaks funding into two major components referred to as Tier I and Tier II. Tier I funding is based on the M&O taxes at the compressed rate, program allotments, and ADA and special student populations. Tier II is the enrichment tier based on the tax effort above the school district's compressed rate. State aid works to fill the gap between local revenue and the total funding the school district is entitled to through the state finance system.

In the Spring of 2019, The 86<sup>th</sup> Texas Legislature passed House Bill 3 which made significant changes to the school finance system in Texas. In passing HB 3, the Legislature sought to equalize funding across school districts, increase teacher compensation, improve learning outcomes, and reduce property taxes.

Of particular note to this analysis, HB 3 now requires the use of current-year local taxable values as opposed to prior-year taxable values when determining state aid. The 2019-20 school year is the first in which this

method of calculating state aid will be used. This differs from the prior school finance system under which state funding was based on the prior year's Comptroller certified property values. Specifically addressing the Ch. 313 program, HB 3 states that calculations determining the school districts' revenue loss must continue to use the prior year's Comptroller certified local taxable values when determining the state aid allotted to the school district.

Due to this reliance on prior year values when determining state aid, the first year of the limitation period often results in a loss in revenue for the school district. Under the terms of the agreement, the Applicant is required to hold the district harmless from any such losses. Estimates of revenue losses are based on the current school finance system and the taxable values provided by the Applicant. Any future changes in the school finances system or increases in the project's taxable value within the limitation period may result in increased revenue losses for the school district.

## **Methodology**

The Ch. 313 agreement between the two parties requires calculations be conducted in each year the value limitation is in place. To determine the impact of any reduction in M&O taxable value of the project, two school finances models are established and the outputs compared. The first model serves as the control model utilizing the full M&O taxable value of the project. The second model is set up substituting the limited value of \$40 million for the full taxable value.

The project's taxable values are pulled from the estimates put forth in Schedule B of the application. School district level data was provided by GCISD and reflects those figures used in budgeting for the 2019-20 school year. In developing the comparison scenarios, all variables and funding factors were held constant with the exception of the project's taxable value and the district's resulting tax collections.

As stated above, during the 86<sup>th</sup> Texas Legislative Session the Legislature passed House Bill 3 enacting major changes to the school finance system. The finance models used reflect these changes as enacted to the date of this report.

## **Results**

The two models are then compared and differences in school district revenue are shown below in Table 1. The highlighted rows outline the ten-year value limitation period during which revenue loss calculations are required. The column entitled, "School District Revenue Loss,"

displays the estimated loss over the course of the limitation period. As shown below, it is estimated that GCISD will forego \$1,372,784 in M&O revenue during the 2023-24 school year.

The final column, "Company Tax Savings," displays the tax savings in each year of the limitation with the Applicant's total savings over the ten-year period totaling \$2,817,426. It is important to note that no tax savings are estimated in the final three years of the limitation period due to the Applicant's estimates that the project's taxable value will fall below the value limitation of \$40 million.

**Table 1 - Projected School District Revenue Loss**

School Year	Tax Year	Project Full Taxable Value (I&S Value)*	Project Limited Tax Value (M&O Value)	M&O Taxes Paid Before Limitation	M&O Taxes Paid After Limitation	Tax Savings Before District Calculations	School District Revenue Loss	Company Tax Savings
2019-2020	2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020-2021	2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021-2022	2021	\$35,731,066	\$35,731,066	\$378,749	\$378,749	\$0	\$0	\$0
2022-2023	2022	\$142,924,263	\$142,924,263	\$1,514,997	\$1,514,997	\$0	\$0	\$0
2023-2024	2023	\$133,062,489	\$40,000,000	\$1,410,462	\$424,000	\$986,462	\$1,372,784	-\$386,322
2024-2025	2024	\$122,400,339	\$40,000,000	\$1,297,444	\$424,000	\$873,444	\$0	\$873,444
2025-2026	2025	\$110,894,936	\$40,000,000	\$1,175,486	\$424,000	\$751,486	\$0	\$751,486
2026-2027	2026	\$98,460,525	\$40,000,000	\$1,043,682	\$424,000	\$619,682	\$0	\$619,682
2027-2028	2027	\$85,039,936	\$40,000,000	\$901,423	\$424,000	\$477,423	\$0	\$477,423
2028-2029	2028	\$70,547,416	\$40,000,000	\$747,803	\$424,000	\$323,803	\$0	\$323,803
2029-2030	2029	\$54,897,209	\$40,000,000	\$581,910	\$424,000	\$157,910	\$0	\$157,910
2030-2031	2030	\$37,989,269	\$37,989,269	\$402,686	\$402,686	\$0	\$0	\$0
2031-2032	2031	\$28,584,853	\$28,584,853	\$302,999	\$302,999	\$0	\$0	\$0
2032-2033	2032	\$28,584,853	\$28,584,853	\$302,999	\$302,999	\$0	\$0	\$0
2033-2034	2033	\$28,584,853	\$28,584,853	\$302,999	\$302,999	\$0	\$0	\$0
2034-2035	2034	\$28,584,853	\$28,584,853	\$302,999	\$302,999	\$0	\$0	\$0
2035-2036	2035	\$28,584,853	\$28,584,853	\$302,999	\$302,999	\$0	\$0	\$0
2036-2037	2036	\$28,584,853	\$28,584,853	\$302,999	\$302,999	\$0	\$0	\$0
2037-2038	2037	\$28,584,853	\$28,584,853	\$302,999	\$302,999	\$0	\$0	\$0
<b>Totals</b>				<b>\$11,575,639</b>	<b>\$7,385,429</b>	<b>\$4,190,210</b>	<b>\$1,372,784</b>	<b>\$2,817,426.21</b>

## **Facilities Impact**

The project remains fully taxable for I&S tax purposes over the course of the taxable life of the project. The Applicant has stated in their application their intent to invest a total of \$142.9 million resulting in a peak taxable value in the 2022-23 school year. The project's taxable value is assumed to depreciate quickly, with the assessed value at an estimated \$28 million by the 2031-32 school year.

## **Impact Summary**

The estimated school district revenue losses of \$1,372,784 and Applicant tax savings of \$2,817,426 are based on the assumptions used in this report. The terms of these calculations are set in the Ch. 313 Agreement; however, each year's calculation require the use of the concurrent year's school finance system, assessed taxable value of the project, school district level taxable values and tax rates, and school district student population data. Changes to any of these factors may result in revenue losses and company tax savings in different amounts than estimated in this report. At this time, a school district revenue loss is only estimated in the first year of the limitation; however, any future changes to the variables listed above may result in additional losses in during subsequent years.

## Attachment E

# Taxable Value of Property



# Taxes

Property Tax Assistance

## 2018 ISD Summary Worksheet

### 226/Tom Green

### 226-907/Grape Creek ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. Single-Family Residences	271,061,420	N/A	271,061,420	271,061,420
B. Multi-Family Residences	699,910	N/A	699,910	699,910
C1. Vacant Lots	9,117,570	N/A	9,117,570	9,117,570
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	7,306,640	N/A	7,306,640	7,306,640
D2. Real Prop Farm & Ranch	4,740,190	N/A	4,740,190	4,740,190
E. Real Prop Non Qual Acres	34,371,290	N/A	34,371,290	34,371,290
F1. Commercial Real	12,338,260	N/A	12,338,260	12,338,260
F2. Industrial Real	5,319,770	N/A	5,319,770	5,319,770
G. Oil, Gas, Minerals	154,700	N/A	154,700	154,700
J. Utilities	13,906,640	N/A	13,906,640	13,906,640
L1. Commercial Personal	14,400,830	N/A	14,400,830	14,400,830
L2. Industrial Personal	15,230,320	N/A	15,230,320	15,230,320

<b>M. Other Personal</b>	6,729,390	N/A	6,729,390	6,729,390
<b>N. Intangible Personal Prop</b>	0	N/A	0	0
<b>O. Residential Inventory</b>	1,282,540	N/A	1,282,540	1,282,540
<b>S. Special Inventory</b>	87,430	N/A	87,430	87,430
<b>Subtotal</b>	396,746,900		396,746,900	396,746,900
<b>Less Total Deductions</b>	95,853,176		95,853,176	95,853,176
<b>Total Taxable Value</b>	300,893,724		300,893,724	300,893,724 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

### Value Taxable For M&O Purposes

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
318,153,984	300,893,724	318,153,984	300,893,724

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
17,260,260	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

### Value Taxable For I&S Purposes

<b>T7</b>	<b>T8</b>	<b>T9</b>	<b>T10</b>
318,153,984	300,893,724	318,153,984	300,893,724

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

# Attachment F

## TEA's Facilities Value

**IMPORTANT: Please keep this letter with your district's records. It must be accessible to the law firm working on the value limitation agreement.**

July 26, 2019

Diane James, President  
Board of Trustees  
Grape Creek Independent School District  
8207 US Highway 87 North  
San Angelo, TX 76901

Dear Ms. James:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Angelo Solar LLC project #1376 on the number and size of school facilities in Grape Creek Independent School District (GCISD). Based on an examination of GCISD enrollment and the number of potential new jobs, the TEA has determined that the Angelo Solar LLC project should not have a significant impact on the number or size of school facilities in GCISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at [amy.copeland@tea.texas.gov](mailto:amy.copeland@tea.texas.gov) if you have any questions.

Sincerely,



Amy Copeland  
Assistant Director of State Funding

AC/rk  
Cc: Angie Smetana

# Attachment G

## Participation Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE  
OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES**

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by and between

**GRAPE CREEK INDEPENDENT SCHOOL DISTRICT**

and

**ANGELO SOLAR, LLC**

*(Texas Taxpayer ID #32067350358)*

Comptroller Application # 1376

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Dated

November 11, 2019

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR  
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

*STATE OF TEXAS* §  
*COUNTY OF TOM GREEN* §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **GRAPE CREEK INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the “District,” a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **ANGELO SOLAR, LLC**, Texas Taxpayer Identification Number 32067350358, hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

**RECITALS**

**WHEREAS**, on May 13, 2019, the Superintendent of Schools of the Grape Creek Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

**WHEREAS**, on May 14, 2019, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

**WHEREAS**, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

**WHEREAS**, the District and the Texas Comptroller’s Office have determined that the Application is complete and July 19, 2019 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

**WHEREAS**, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Tom Green County Appraisal District established in Tom Green County, Texas (the “Tom Green County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

**WHEREAS**, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on September 18, 2019, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

**WHEREAS**, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

**WHEREAS**, on November 11, 2019, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

**WHEREAS**, on November 11, 2019, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

**WHEREAS**, on November 11, 2019, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.021(3) of the TEXAS TAX CODE;

**WHEREAS**, on October 24, 2019, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and

**WHEREAS**, on November 11, 2019, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary, or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

## **ARTICLE I** **DEFINITIONS**

**Section 1.1. DEFINITIONS.** Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

"Act" means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means Angelo Solar, LLC, (Texas Taxpayer ID #32067350358) the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on May 13, 2019. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Tom Green County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Grape Creek Independent School District.

“Commercial Operation” means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land, and is able to generate electricity and is connected to the grid with an interconnection agreement.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Tom Green County, Texas.

“District” or “School District” means the Grape Creek Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter B of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.027 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

**Section 1.2. NEGOTIATED DEFINITIONS.** Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller’s Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

“Applicable School Finance Law” means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the “Applicable School Finance Law” shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

“Maintenance and Operations Revenue” means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District’s Maintenance and Operations Revenue lost as a result of such similar agreements, minus (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE, in each case, as any of the items in clauses (i), (ii), and (iv) above may be amended by Applicable School Finance Law from time to time, and plus or minus, as applicable, any other revenues, payments or amounts received or required to be reimbursed by the District from State and local funding for maintenance and operations purposes under Applicable School Finance Law, such that Maintenance and Operations Revenue shall be the net amount of all such revenues, payments or other amounts which the District is entitled to receive and retain from State and local funding for maintenance and operations purposes under Applicable School Finance Law.

“Debt Service Tax” means ad valorem property taxes from the application of the District’s Interest and Sinking Fund tax rate, if any.

“M&O Amount” means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 of this Agreement.

“Major Casualty Loss” means the destruction or loss of Qualified Property at the Applicant’s project due to an unexpected event that results in a reduction of more than five percent (5%) of the total electricity generating capacity of the project.

“New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have actually received for such school year if calculated using prior year taxable values.

“Original M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have received for the Tax Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property for the prior school year subject to this Agreement. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property’s M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

**ARTICLE II**  
**AUTHORITY, PURPOSE AND LIMITATION AMOUNTS**

**Section 2.1. AUTHORITY.** This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

**Section 2.2. PURPOSE.** In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

**Section 2.3. TERM OF THE AGREEMENT.**

- A. The Application Review Start Date for this Agreement is July 19, 2019, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.
- B. The Application Approval Date for this Agreement is November 11, 2019.
- C. The Qualifying Time Period for this Agreement:
  - i. Starts on February 1, 2020, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by § 313.027(h) of the Texas Tax Code; and
  - ii. Ends on December 31, 2022, the last day of the second complete Tax Year following the Qualifying Time Period start date.
- D. The Tax Limitation Period for this Agreement:
  - i. Starts on January 1, 2023, the first complete Tax Year that begins after the end of the Qualifying Time Period; and
  - ii. Ends on December 31, 2032.
- E. The Final Termination Date for this Agreement is December 31, 2037.
- F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

**Section 2.4. TAX LIMITATION.** So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. The Market Value of the Applicant's Qualified Property; or
- B. Forty Million Dollars (\$40,000,000) based on Section 313.027 of the TEXAS TAX CODE.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.022 of the TEXAS TAX CODE.

**Section 2.5. TAX LIMITATION ELIGIBILITY.** In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of \$40,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$828 for all New Non-Qualifying Jobs created by the Applicant.

**Section 2.6. TAX LIMITATION OBLIGATIONS.** In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

**ARTICLE III**  
**QUALIFIED PROPERTY**

**Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.** At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

**Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.** The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

**Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.** The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

**Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.** In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

**Section 3.5. QUALIFYING USE.** The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) property used for renewable energy electric generation.

**ARTICLE IV**  
**PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

**Section 4.1. INTENT OF THE PARTIES.** Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a producing cause, solely and directly resulting because of or on account of the execution of this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, for which the execution of this Agreement was a sole and direct producing cause, will be borne solely by Applicant and not by District.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; (ii) are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and (iii) may change in future years to reflect changes in the Applicable School Finance Law.

**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.** Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue solely and directly resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date, the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

- A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.
- B. In making the calculations required by this Section 4.2 of this Agreement:
  - i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
  - ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).

- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

**Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.** All calculations under this Agreement shall be made annually by an independent third party (the “Third Party”) approved each year by the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

**Section 4.4. DATA USED FOR CALCULATIONS.** The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant’s Qualified Investment and/or the Applicant’s Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.5. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District’s certified tax roll or any other changes in student counts, tax collections, or other data.

**Section 4.5. DELIVERY OF CALCULATIONS.** On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Article IV, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the Applicant, but subject to the provisions of Section 4.7, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit

of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

**Section 4.6. PAYMENT BY APPLICANT.** The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective; provided, however, that the District and the Applicant may mutually agree in writing to extend the date of payment. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00). For any Tax Year outside of the Tax Limitation Period, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Seven Thousand Five Hundred Dollars (\$7,500.00).

**Section 4.7. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.** If at the time the Third Party selected under Section 4.6 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

**Section 4.8. STATUTORY CHANGES AFFECTING M&O REVENUE.** Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, as a sole and direct cause of its participation in this Agreement, Applicant shall make payments to District, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct cause of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

**ARTICLE V**  
**PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES**

**Section 5.1. EXTRAORDINARY EXPENSES.** In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District’s external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project during any project construction year.

**ARTICLE VI**  
**SUPPLEMENTAL PAYMENTS**

**Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS**

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article VI, (the “Supplemental Payments”). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant’s obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV and V are subject to the limitations contained in Section 7.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 6.2.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the legislature for any future year of this Agreement.

**Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.** Notwithstanding the foregoing:

A. The total of the Supplemental Payments made pursuant to this Article shall: not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in

Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period;

C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)– (2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement; and

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s 2017-2018 Average Daily Attendance of 1,061.

**Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL PAYMENT LIMIT.** Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule.

TAX YEAR	PAYMENT DUE DATE	AMOUNT OF ANNUAL PAYMENT LIMIT
2021	January 31, 2022	\$106,100
2022	January 31, 2025	\$106,100
2023	January 31, 2025	\$106,100
2024	January 31, 2026	\$106,100
2025	January 31, 2026	\$106,100
2026	January 31, 2027	\$106,100
2027	January 31, 2028	\$106,100
2028	January 31, 2029	\$106,100
2029	January 31, 2030	\$106,100
2030	January 31, 2031	\$106,100
2031	January 31, 2032	\$106,100
2032	January 31, 2033	\$106,100
2033	January 31, 2034	\$106,100
2034	January 31, 2035	\$106,100
2035	January 31, 2036	\$106,100

**Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.**

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.

C. The payment of all amounts due under this Article shall be made shall be paid on the date set forth in the schedule included in Section 6.3 above.

**Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY.** At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Supplemental Payments calculated as described in Section 6.5, above.

## **ARTICLE VII**

### **ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

**Section 7.1. ANNUAL LIMITATION.** Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

**Section 7.2. OPTION TO TERMINATE AGREEMENT.** In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2

shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

**Section 7.3. EFFECT OF OPTIONAL TERMINATION.** Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

## **ARTICLE VIII**

### **ADDITIONAL OBLIGATIONS OF APPLICANT**

**Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.** In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

**Section 8.2. REPORTS.** In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

**Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS.** During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

**Section 8.4. DATA REQUESTS.** Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance

with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

**Section 8.5. SITE VISITS AND RECORD REVIEW.** The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

**Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.** By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other

supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

**Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.** The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

**ARTICLE IX**  
**MATERIAL BREACH OR EARLY TERMINATION**

**Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.** The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement; or

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

## **Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.**

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any; and
- iv. whether or not any such breach has been cured.

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);

ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and

iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a “Determination of Breach and Notice of Contract Termination”) and provide a copy to the Comptroller.

### **Section 9.3. DISPUTE RESOLUTION.**

A. After receipt of notice of the Board of Trustees’ Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within thirty (30) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Tom Green County. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator’s fees and expenses and the Applicant shall bear one-half of such mediator’s fees and expenses and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys’ fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Tom Green County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the 60 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney’s fees to the attorneys

representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

**Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.**

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

**Section 9.5. LIMITATION OF OTHER DAMAGES.** Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

**Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.** Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$40,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

**Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS.** Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

**Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS**

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and

operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

**ARTICLE X.**  
**MISCELLANEOUS PROVISIONS**

**Section 10.1. INFORMATION AND NOTICES.**

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Angie Smetana  
Superintendent  
Grape Creek Independent School District  
8207 US Hwy. 87 North  
San Angelo, TX 76901  
Phone: (325) 658-7823  
Email: [angie.smetana@grapecreekisd.net](mailto:angie.smetana@grapecreekisd.net)

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Gordon Trousdale  
Chief Financial Officer  
Apex Clean Energy  
310 4<sup>th</sup> Street N.E., Suite 200  
Charlottesville, VA 22902  
Phone: (434) 220-7580  
Email: [jim@apexcleanenergy.com](mailto:jim@apexcleanenergy.com)

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

## **Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.**

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

i. The Applicant shall submit to the District and the Comptroller:

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;

c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE; and

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement.

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

### **Section 10.3. ASSIGNMENT.**

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

**Section 10.4. MERGER.** This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

**Section 10.5. GOVERNING LAW.** This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Tom Green County.

**Section 10.6. AUTHORITY TO EXECUTE AGREEMENT.** Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

**Section 10.7. SEVERABILITY.** If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term “Law” shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

**Section 10.8. PAYMENT OF EXPENSES.** Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

**Section 10.9. INTERPRETATION.**

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words “include,” “includes,” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase, “but not limited to”. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

**Section 10.10. EXECUTION OF COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

**Section 10.11. PUBLICATION OF DOCUMENTS.** The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website;

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website; and

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

**Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.** The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

**Section 10.13. DUTY TO DISCLOSE.** If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

**Section 10.14. CONFLICTS OF INTEREST.**

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create

any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

**Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.**

Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

**Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.**

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;

ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;

iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic “read receipt” does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 11<sup>th</sup> day of November, 2019.

ANGELO SOLAR, LLC, by Apex GCL LLC  
ITS SOLE MEMBER, by Apex Clean Energy Holdings,  
LLC, ITS SOLE MEMBER

GRAPE CREEK INDEPENDENT SCHOOL  
DISTRICT

By: Gordon J. Trousdale

Gordon J. Trousdale  
Chief Financial Officer

By: Wiane James  
PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: Rebecca L Buck  
SECRETARY, BOARD OF TRUSTEES

IN THE EVENT OF CONFLICT

By: \_\_\_\_\_  
VICE PRESIDENT, BOARD OF TRUSTEES

## **EXHIBIT 1**

### **DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE**

At the time of the Application Approval Date, pursuant to Chapter 312 of the Texas Tax Code, the Tom Green County Commissioner's Court designated the below tracts of land as the. A map of this Angelo Solar Reinvestment Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of this Angelo Solar Reinvestment Zone.

COMMISSIONERS COURT OF TOM GREEN COUNTY  
COMMISSIONERS COURT ROOM  
EDD B. & FRANCES FRINK KEYES BUILDING  
SAN ANGELO, TEXAS

RESOLUTION AND ORDER

DESIGNATING THE REINVESTMENT ZONE TO BE KNOWN AS THE  
Angelo Solar REINVESTMENT ZONE  
IN THE JURISDICTION OF TOM GREEN COUNTY, TEXAS

The Commissioners Court of Tom Green County, Texas, meeting in regular session on September 17, 2019, considered the following resolution:

**WHEREAS**, the Commissioners Court of Tom Green County, Texas (the "County") has elected to become eligible to participate in tax abatement agreements under the provisions of the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) (the "Act"); and,

**WHEREAS**, the County adopted guidelines and criteria governing tax abatement agreements in a resolution dated on June 19, 2018 (the "Guidelines and Criteria"); and,

**WHEREAS**, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and

**WHEREAS**, the County (a) timely published or posted all applicable notices of public hearing regarding the designation of the real estate described in the attached Exhibit A as a reinvestment zone for tax abatement purposes, and (b) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone;

**WHEREAS**, the improvements proposed for the reinvestment zone are feasible and of benefit to the reinvestment zone after expiration of an abatement agreement; and

**WHEREAS**, the property described in Exhibit A meets the criteria established in the Guidelines and Criteria for a reinvestment zone; and

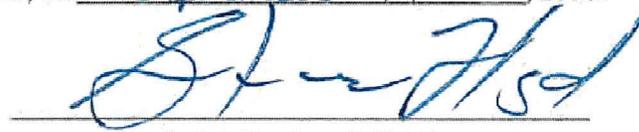
**WHEREAS**, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and would contribute to the economic development of the County; and

**WHEREAS**, all interested members of the public were given an opportunity to make comment at the public hearing.

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Tom Green County, that:

1. The County hereby designates the property located in Tom Green County, Texas, having the property description in Exhibit A attached to this Order as a reinvestment zone under the County's Guidelines and Criteria, having determined that (a) the property described on Exhibit A meets the criteria established in the Guidelines and Criteria, and (b) the designation of such reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and that would contribute to the economic development of the County.
2. The reinvestment zone created by this Order to include the real property described in Exhibit A shall be known as "Angelo Solar Reinvestment Zone."

The foregoing Resolution and Order was lawfully moved by Rick Bacon, duly seconded by Sammy Farmer, and duly adopted by the Commissioners Court of Tom Green County, Texas, on September 17, 2019.



Judge Stephen C. Floyd

Ralph Hoelscher  
Commissioner Ralph Hoelscher, Pct. 1

Sammy Farmer  
Commissioner Sammy Farmer, Pct. 2

Rick Bacon  
Commissioner Rick Bacon, Pct. 3

Bill Ford  
Commissioner Bill Ford, Pct. 4

The foregoing Resolution and Order is a true and correct copy of the Resolution and Order passed by the Commissioners Court in open and regular session on September 17, 2019.

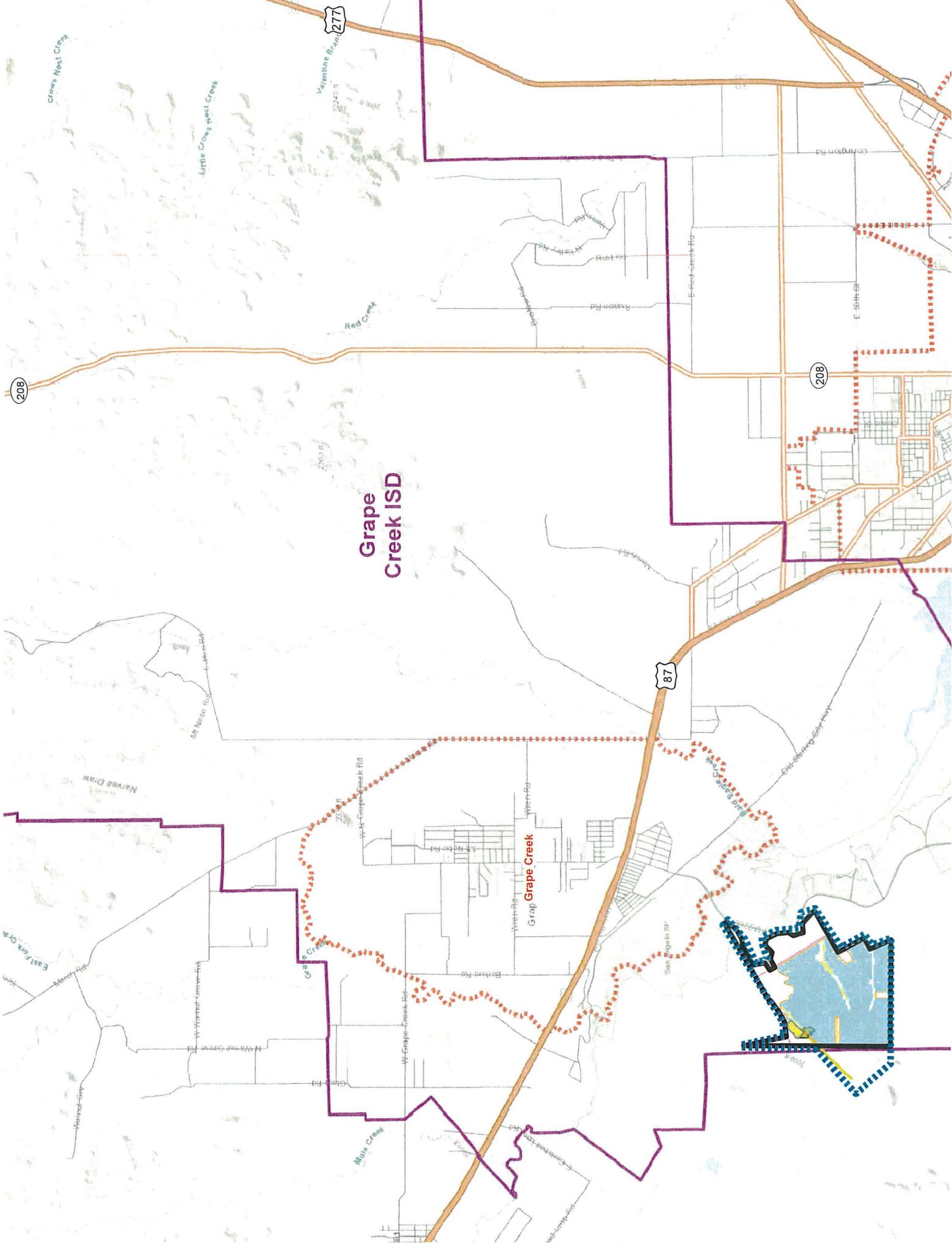


Bynka Garcia, deputy Clerk  
Elizabeth McGill for Elizabeth McGill  
County Clerk, Tom Green County, Texas

ANGELO SOLAR, LLC

EXHIBIT A

- R000057030 - 69.100 acres, 56-00161-0553-000-00 Queen Bees; Abst: A-0161 S-0207
- R000057048 - 59.900 acres, 56-01043-0057-000-00 Queen Bees; Abst. A-1043 S-0029
- R000103492 - 366.000 acres, 56-01043-0557-800-00 Queen Bees; Abst. A-1043 S-0029
- R000056603 - 60.200 acres, 56-01652-0555-000-00 Queen Bees; Abst. A-1652 S-0206
- R000056607 - 68.000 acres, 56-01653-0554-000-00 Queen Bees; Abst. A-1653 S-0205
- R000056377 - 501.100 ACRES, 56-05753-0558-000-00 Queen Bees; Abst. A-5753 S-0017
- R000056463 - 449.000 ACRES, 56-07098-0556-000-00 Queen Bees; Abst. A-7098 S-0030
- R000057044 - 62.200 ACRES, 56-01042-0546-000-00; Queen Bees Abst. A-1042 S-0027
- R000040961 - 111.000 ACRES, 71-06032-0279-000-00; Compton Murph March Jr. Abst A-6032 S-0026



# Grape Creek ISD

277

208

208B

87

Grape  
Creek

## **EXHIBIT 2**

### **DESCRIPTION AND LOCATION OF LAND**

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to **Exhibit 1**.

## EXHIBIT 3

### APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment, as more fully described in Tab #7 of the Application, shall be all tangible personal property first placed in service after February 1, 2020, that is owned by the Applicant and located within the boundaries of the Grape Creek Independent School District and the reinvestment zone and project boundaries depicted on the map attached to **Exhibits 1 and 4**.

The qualified investment is expected to consist of approximately 702,688 photovoltaic solar panels for a total operating capacity of approximately 195 MWac. The final Project capacity and number of panels will depend on the panel model selected for deployment and the nameplate capacity of each panel. In addition to the panels, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the panels. There will also be located within the project boundary a collector substation; electrical transmission interconnects, cables, and control systems for commercial generation of electricity; security fencing with locking gates; security cameras with remote viewing capability; and a portion of a gentie line that will connect the Project's collector substation to the grid at the point of interconnection.

The point of interconnection and a portion of the Project's gentie line are located outside of Grape Creek ISD and will not be part of the Qualified Investment in this application.

## **EXHIBIT 4**

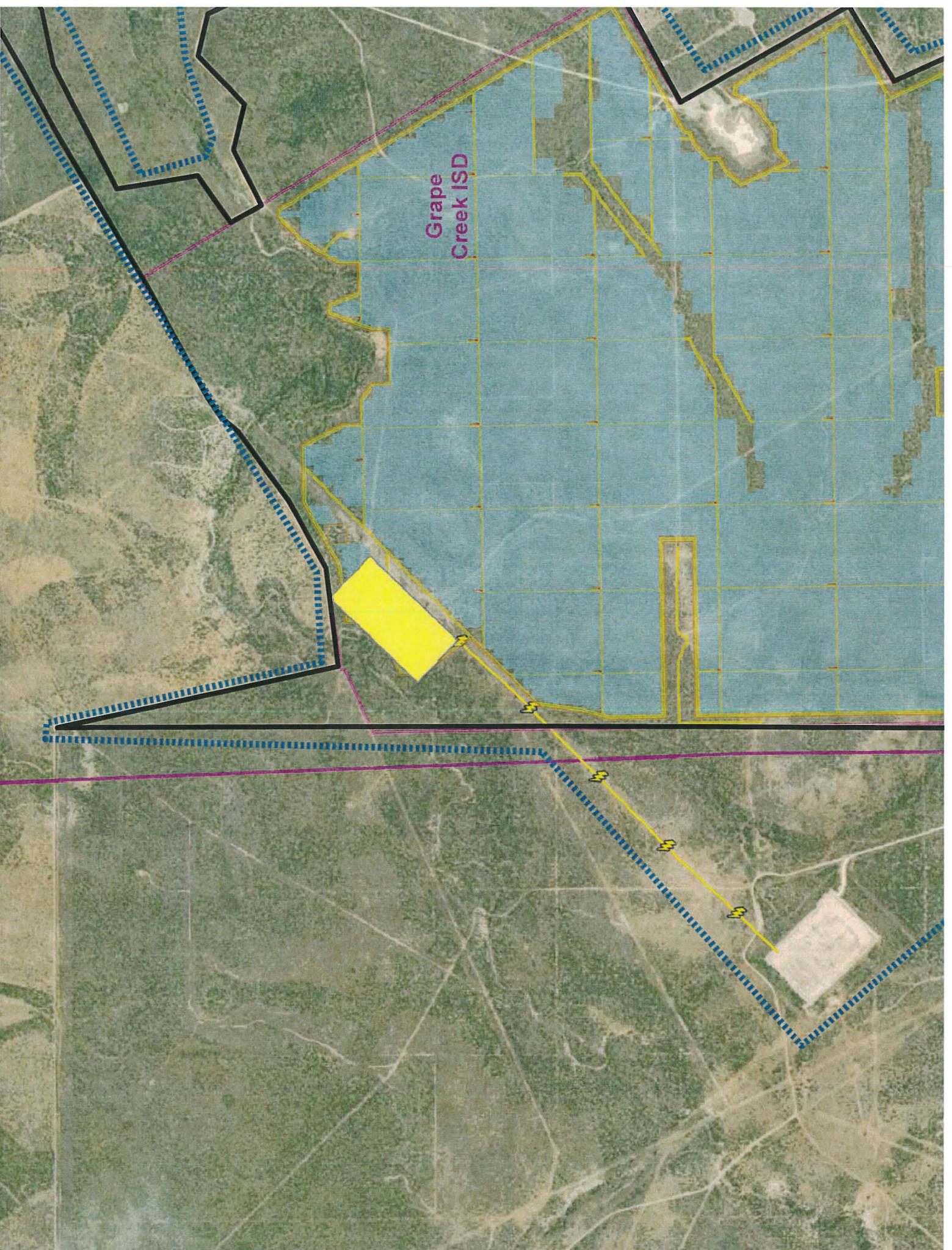
### **DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY**

This application covers all qualified property within Grape Creek ISD necessary for the commercial operations of the proposed solar farm described in Tab 4 of the Application.

The qualified investment is expected to consist of approximately 702,688 photovoltaic solar panels for a total operating capacity of approximately 195 MWac. The final Project capacity and number of panels will depend on the panel model selected for deployment and the nameplate capacity of each panel. In addition to the panels, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the panels. There will also be located within the project boundary a collector substation; electrical transmission interconnects, cables, and control systems for commercial generation of electricity; security fencing with locking gates; security cameras with remote viewing capability; and a portion of a gentie line that will connect the Project's collector substation to the grid at the point of interconnection.

The point of interconnection and a portion of the Project's gentie line are located outside of Grape Creek ISD and will not be part of the Qualified Investment in this application.

Grape  
Creek ISD



# Attachment H

## Consultant Verification Letter

# O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE  
AUSTIN, TEXAS 78701  
TELEPHONE: (512) 494-9949  
FACSIMILE: (512) 494-9919

October 29, 2019

President and Members  
Board of Trustees  
Grape Creek Independent School District  
8207 Us Hwy. 87 North  
San Angelo, Texas 76901

RE: *Recommendations and Findings of the Firm Concerning Application of Angelo Solar, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence review on behalf of the Grape Creek Independent School District with respect to the pending Application of Angelo Solar, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Angelo Solar, LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions to protect the interests of the District.

As a result of the foregoing, it is our recommendation that the Board of Trustees approve the Application of Angelo Solar, LLC for a Limitation on Appraised Value of Qualified Property for School District Maintenance and Operations Taxes.

Sincerely,



Kevin O'Hanlon  
School District Consultant

# Attachment I

## Agreement Review Letter



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O. Box 13528 • Austin, TX 78711-3528

October 24, 2019

Angie Smetana  
Superintendent  
Grape Creek Independent School District  
8207 US Hwy. 87 North  
San Angelo, Texas 76901

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Grape Creek Independent School District and Angelo Solar, LLC, Application 1376

Dear Superintendent Smetana:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Grape Creek Independent School District and Angelo Solar, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Deisy Perez with our office. She can be reached by email at [deisy.perez@cpa.texas.gov](mailto:deisy.perez@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

A handwritten signature in cursive script that reads "Will Counihan".

Will Counihan  
Director  
Data Analysis & Transparency Division

cc: Mali Hanley, O'Hanlon, Demerath & Castillo  
Gordon Trousdale, Apex Clean Energy  
Ben Semmes, Apex Clean Energy  
David Sewell, Stahl, Davies, Sewell, Chavarria & Friend, LLP

## Attachment J

# Conflict Of Interest Disclosure

**ATTACHMENT J**  
**Grape Creek ISD**  
**November 11th Board Meeting**

**Conflicts of Interest Disclosure Statement**

The Texas State Auditor's Office currently requires documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. The proposed approval of a Chapter 313 Agreement that is scheduled for consideration tonight is such an occasion. In order to ensure compliance, it is necessary to review and re-affirm compliance with District Policy and State law concerning potential conflicts of interest. In determining conflicts of interest, the following rules apply.

*Conflicts Concerning Real Estate Ownership*

In the case of a substantial interest in real property, a conflict exists if it is reasonably foreseeable that a Board action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

*Conflicts Concerning Business Ownership and/or Employment*

In the case of a substantial interest in a business entity, a conflict exists if it reasonably foreseeable that a Board action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public. A conflict of interest also exists when the Trustee or family member, as defined below:

1. owns at least: ten percent of the voting stock or shares of the business entity;
2. owns \$15,000 or more of the fair market value of the business entity; or,
3. if funds received by the Trustee, or family member as set forth below from the business entity exceed ten percent of the person's gross income for the previous year.

All of the provisions set forth above are applicable if a Trustee, or a person related to a Trustee in the first degree by either affinity or consanguinity, has a substantial interest in or employment with a business entity, or has a substantial interest in real property. If any of the foregoing conditions exists, the Trustee has a conflict of interest. Before a vote or decision on any matter involving the business entity or the real property is taken, the Trustee is required to file an affidavit with the Board Secretary stating the nature and extent of the interest. Thereafter, the Trustee must abstain from further participation in the matter.

If a conflict exists for any Trustee, the Board may still contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Copies of this Statement and any required affidavits are to be filed with the official minutes of this Board meeting.