

# O'HANLON, DEMERATH & CASTILLO

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May 21, 2019

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

RE: Application to the Fort Stockton Independent School District from Taygete Energy Project II, 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 Fort Stockton Independent School District is notifying Taygete Energy Project II, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. Please prepare the Economic Impact Report.

The Applicant submitted the Application to the school district on May 20, 2019. The Board voted to accept the application on May 20, 2019. The application has been determined complete as of May 21, 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.

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

Sincerely,



Kevin O'Hanlon  
School District Consultant

Cc: Pecos County Appraisal District  
Taygete Energy Project II, 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**

**Pages 1-9 of Application.**

# 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 20, 2019

Date Application Received by District

Ralph

First Name

Traynham

Last Name

Superintendent

Title

Fort Stockton Independent School District

School District Name

101 West Division Street

Street Address

Mailing Address

Fort Stockton

City

TX

State

79735

ZIP

(432) 336-4000

Phone Number

Fax Number

Mobile Number (optional)

ralph.traynham@fsisd.net

Email Address

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)**

_____	_____
First Name	Last Name
Partner	
_____	
Title	
Moak, Casey & Associates	
_____	
Firm Name	
(512) 485-7878	(512) 485-7888
Phone Number	Fax Number
_____	dcasey@moakcasey.com
_____	Email Address
Mobile Number (optional)	

4. On what date did the district determine this application complete? ..... May 21, 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)**

_____	_____
First Name	Last Name
Chief Development Officer	7X Energy, Inc.
_____	_____
Title	Organization
3809 Juniper Trace, Suite 100	
Street Address	
_____	
Mailing Address	
Austin	TX
City	State
(512) 680-0052	78738
Phone Number	ZIP
_____	_____
_____	Fax Number
_____	scott.pryor@7X.energy
_____	Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? .....  Yes  No
- 2a. If yes, please fill out contact information for that person.

_____	_____
First Name	Last Name
_____	_____
Title	Organization
_____	_____
Street Address	
_____	
Mailing Address	
_____	_____
City	State
_____	ZIP
_____	_____
Phone Number	Fax Number
_____	_____
_____	Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name \_\_\_\_\_ Last Name \_\_\_\_\_

Title \_\_\_\_\_

Firm Name \_\_\_\_\_

Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Business Email Address \_\_\_\_\_

SECTION 3: Fees and Payments

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

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

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

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

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Taygete Energy Project II, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32069550047
3. List the NAICS code 221114
4. Is the applicant a party to any other pending or active Chapter 313 agreements?  Yes  No
- 4a. If yes, please list application number, name of school district and year of agreement
- \_\_\_\_\_

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)?  Yes  No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas?  Yes  No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  Yes  No  N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

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 ..... 10/2019
2. Commencement of construction ..... 03/2020
3. Beginning of qualifying time period ..... 03/02/2020
4. First year of limitation ..... 01/01/2022
5. Begin hiring new employees ..... 03/02/2020
6. Commencement of commercial operations ..... 6/2021
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? ..... 03/2020

**SECTION 10: The Property**

1. Identify county or counties in which the proposed project will be located ..... Pecos County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ..... Pecos CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? .....  Yes  No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:  
 County: Pecos County, \$0.7990, 100% City: \_\_\_\_\_  
*(Name, tax rate and percent of project)* *(Name, tax rate and percent of project)*  
 Hospital District: \_\_\_\_\_ Water District: Middle Pecos Gr'dwater District, \$0.0249, 100%  
*(Name, tax rate and percent of project)* *(Name, tax rate and percent of project)*  
 Other (*describe*): Midland College, \$0.0345, 100% Other (*describe*): \_\_\_\_\_  
*(Name, tax rate and percent of project)* *(Name, tax rate and percent of project)*
5. Is the project located entirely within the ISD listed in Section 1? .....  Yes  No  
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? .....  Yes  No  
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

**SECTION 11: Investment**

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? ..... 30,000,000.00  
**Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? .....  Yes  No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
  - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
  - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
  - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? .....  Yes  No

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? N/A

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? ..... 1
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 ..... 916.75
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 1,105.23
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 1,154.56
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? ..... 60,037.12
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 61,000.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? .....  Yes     No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? .....  Yes     No
  - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? .....  Yes     No
  - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

**TAB 2**

**Please find on the attached page, a copy of the application fee check in the amount of \$75,000.00 made payable to the Fort Stockton Independent School District.**

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***

**N/A**

## TAB 4

### *Detailed description of the project*

Taygete Energy Project II, LLC, proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant within the Fort Stockton Independent School District.

The project will be constructed on approximately 3,500 acres, which are subject to long-term lease agreements with local landowners. The project will be located entirely in Pecos County and within the Fort Stockton Independent School District. The proposed project will include, but is not limited to, the following:

- Planned 255 MW-AC in size;
- PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, circuit breakers, switches, and control room;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) facility, an HVAC-equipped office building featuring ADA-compliant restroom and kitchen area, an underground septic and leeching system, computer equipment associated with operation of the project SCADA system, and a parking area for a minimum of ten (10) vehicles;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

The parent company of Taygete Energy Project II, LLC, is a national solar developer with project opportunities all across the United States. The ability to enter into a limited appraisal valuation agreement with the Fort Stockton Independent School District is a motivating factor for constructing the project in Pecos County, Texas, as opposed to building and investing in another state or region where state tax incentives are available. Additional states where Applicant is considering include Tennessee, North Carolina, Mississippi, Virginia, Nevada, Georgia, Alabama, Utah, New Mexico, California and Arizona.

## TAB 5

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

The applicant's parent company, 7X Energy, Inc., is a national solar developer with the ability to locate projects of this type in other counties and states in the US with strong solar characteristics. The applicant is actively developing other projects throughout the US. The applicant requires this appraised value limitation in order to move forward with constructing this project in Texas. Specifically, without the available tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project in Texas becomes unlikely. In fact, the applicant owns interests in greenfield solar projects in more than twenty (20) states other than Texas. The additional places where Applicant is considering investing and developing projects include states that offer market incentives for generation resources like property tax incentives, including North Carolina, Mississippi, Nevada, Georgia, Alabama, Utah, New Mexico, California, Arizona, and Virginia.

Property taxes can be the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bi-lateral contract. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement. As such, the applicant is not able to finance and build its project in Texas even with a signed power purchase agreement because of the low price in the power purchase agreement. Without the tax incentive, the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher on a project basis.

This is true even if the entity is able to contract with an off-taker under a power purchase agreement because the low rate contracted for is not financeable without the tax incentives. More specifically, a signed power purchase agreement in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Other states have high electricity prices where a developer can obtain a PPA with a much higher contracted rate, combined with state subsidies, the other states offer a much higher rate of return for the project financiers. Without the tax incentives in Texas, a project with a power purchase agreement becomes non-financeable and the developer would have to abandon the project and go to a different market.

**TAB 6**

***Names and percentages of additional districts that compromise the entire project:***

The project is located 100% within the Fort Stockton Independent School District in Pecos County, Texas.

## TAB 7

### ***Description of Qualified Investment***

Taygete Energy Project II, LLC, anticipates constructing a solar photovoltaic (PV) electric generating facility with an operating capacity of approximately 255 MW ac. The exact capacity and the specific technology components will be determined during the development and design process.

A 255 MW solar PV generating facility may include a qualified investment consisting of the following improvements:

- PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracking racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, circuit breakers, switches, and control room;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) facility, an HVAC-equipped office building featuring ADA-compliant restroom and kitchen area, an underground septic and leeching system, computer equipment associated with operation of the project SCADA system, and a parking area for a minimum of ten (10) vehicles;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

## TAB 8

### *Description of Qualified Property*

Taygete Energy Project II, LLC, anticipates constructing a solar photovoltaic (PV) electric generating facility with an operating capacity of approximately 255MW ac. The exact capacity and the specific technology components will be determined during the development and design process.

A 255 MW solar PV generating facility may include a qualified investment consisting of the following improvements:

- PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracking racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, circuit breakers, switches, and control room;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) facility, an HVAC-equipped office building featuring ADA-compliant restroom and kitchen area, an underground septic and leeching system, computer equipment associated with operation of the project SCADA system, and a parking area for a minimum of ten (10) vehicles;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

**TAB 9**

*SITE DESCRIPTION*

The project will be constructed on approximately 3,500 acres, which are subject to a long-term lease agreement with local landowners. The project will be located entirely in Pecos County and within the Fort Stockton Independent School District.

**TAB 10**

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

1. N/A.

**TAB 11**

***Maps that clearly show:***

- ***Project vicinity, Qualified investment & property, Existing Property, Land Location, and Reinvestment Zone***

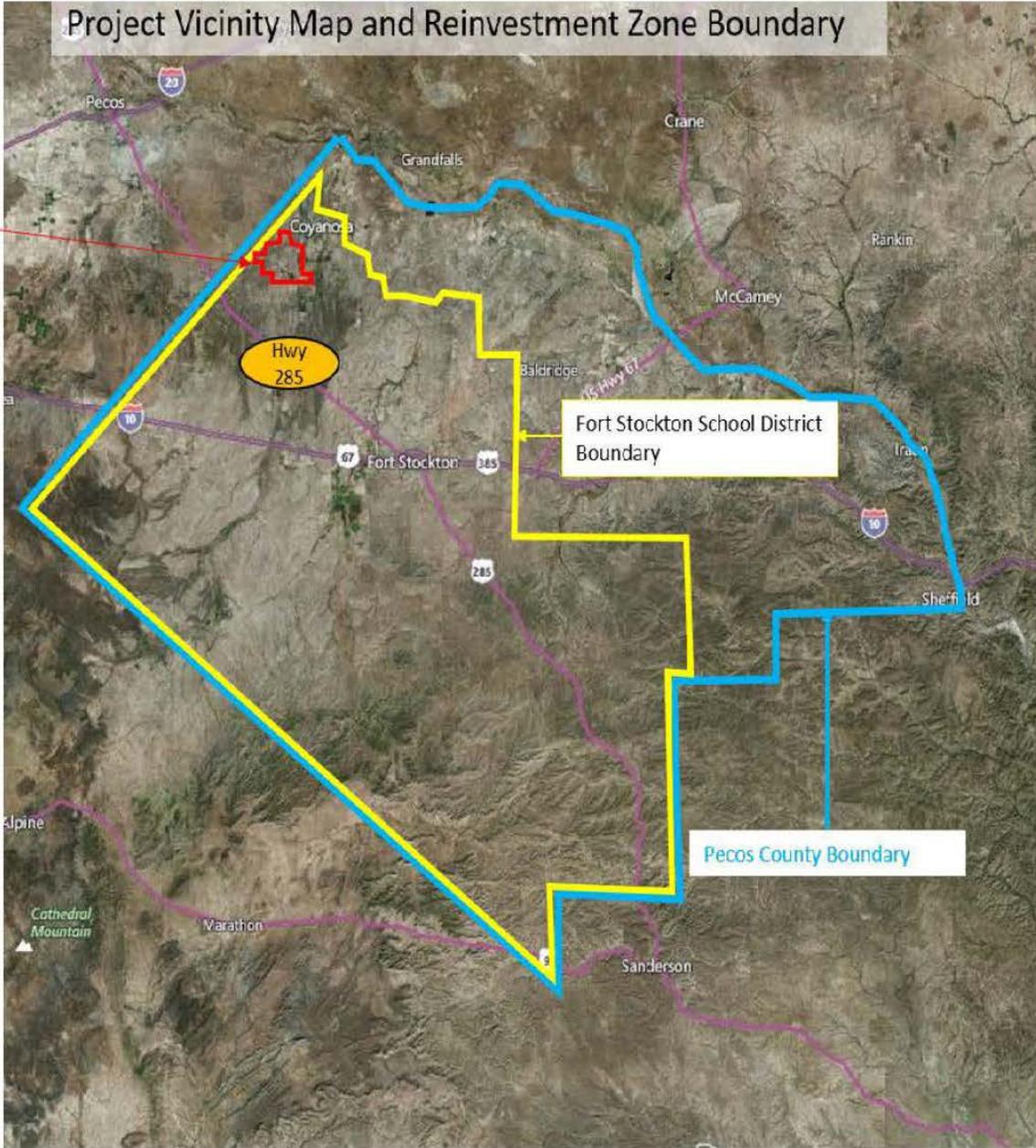
***SEE ATTACHED MAPS***

# Project Vicinity Map and Reinvestment Zone Boundary

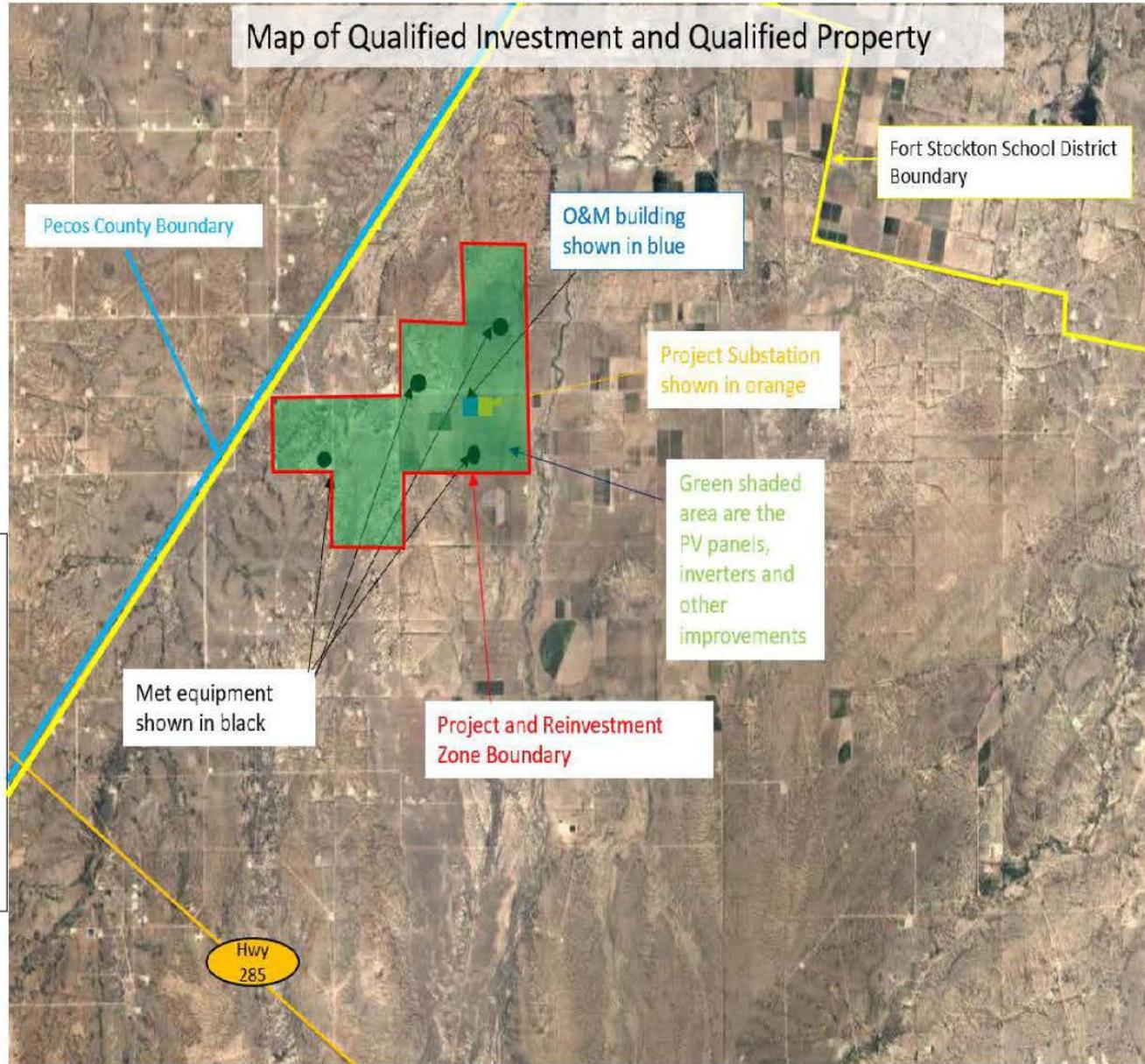
Project and Reinvestment Zone Boundary

**Legend**

- Project and Reinvestment Zone Boundary
- Pecos County Boundary
- Fort Stockton School District Boundary



# Map of Qualified Investment and Qualified Property



Pecos County Boundary

Fort Stockton School District Boundary

O&M building shown in blue

Project Substation shown in orange

Green shaded area are the PV panels, inverters and other improvements

Met equipment shown in black

Project and Reinvestment Zone Boundary

Hwy 285

### Legend

- Project and Reinvestment Zone Boundary
- PV panels, inverters, and other improvements
- Met station equipment
- Fort Stockton School District Boundary/ Pecos County Boundary
- Project Substation
- O&M Building

**TAB 12**



**Request of Waiver of Job Creation Requirement**

April 10, 2019

Ralph Traynham, Superintendent  
Fort Stockton Independent School District  
101 West Division Street  
Fort Stockton, Texas 79735

**Re: Chapter 313 Job Waiver Request**

Dear Superintendent Traynham,

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

Based upon knowledge of staffing requirements Taygete Energy Project II, LLC requests the job creation requirement under Chapter 313 of the Texas Tax Code be waived. In line with solar industry standards for job requirements, Taygete Energy Project II, LLC, has committed to create one (1) new permanent job.

Solar projects create a large number of full-time, temporary jobs during the construction phase (1st year), but require a small number of highly skilled technicians to operate the solar project once construction operations end and commercial operations begin. Hiring one (1) permanent, full-time employee is industry standard for a 250 MW utility-scale solar energy facility.

These permanent employees of a solar energy project maintain and service solar panels, mounting infrastructure, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employee described above, there also may be asset managers or technicians who supervise, monitor, and support solar project operations from offsite locations.

The waiver request herein is in line with industry standards for the number of jobs specifically relegated to a solar generation facility of this size. This is evidenced by previously filed limitation agreement applications by solar developers who similarly requested a waiver of the job requirements and in addition, by readily available documentation and education materials related to the development of solar generation facilities.

Sincerely,

*Scott Pryor*

**TAB 13**

*Calculation of three possible wage requirements with supporting documentation*

**AVERAGE WEEKLY WAGES FOR ALL JOBS, ALL INDUSTRIES IN PECOS COUNTY**  
*FOUR MOST RECENT QUARTERS*

COUNTY	YEAR	QUARTER	Avg. Weekly Wage
Pecos	2018	Q3	\$889.00
Pecos	2018	Q2	\$893.00
Pecos	2018	Q1	\$937.00
Pecos	2018	Q4	\$948.00
SUM:			\$3,667.00
CALCULATION:			\$3,677/4 = <b>\$916.75</b>

**AVERAGE WEEKLY WAGES FOR MANUFACTURING JOBS IN PECOS COUNTY**  
*FOUR MOST RECENT QUARTERS*

COUNTY	YEAR	QUARTER	Avg. Weekly Wage
Pecos	2018	Q3	\$1,008.00
Pecos	2018	Q2	\$973.00
Pecos	2018	Q1	\$1,064.00
Pecos	2018	Q4	\$974.00
SUM:			\$4,019.00
CALCULATION:			\$1,004.75 * 1.1 = <b>\$1,105.23</b>

**AVERAGE WEEKLY WAGES FOR MANUFACTURING JOBS IN THE PERMIAN BASIN REGION**  
**(WDA)**  
*FOUR MOST RECENT QUARTERS*

REGION / WDA	YEAR	Hourly/Annual	Avg. Weekly Wage
Permian Basin	2017	\$26.24/\$54,576.00	\$1,049.60
CALCULATION:			\$1,049.60 * 1.1 = <b>\$1,154.56</b>

Please refer to the attached TWC & Council of Governments documentation below.

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	04	Pecos	Total All	10	Total, All Industries	0	\$ 948.00
2018	01	Pecos	Total All	10	Total, All Industries	0	\$ 937.00
2018	02	Pecos	Total All	10	Total, All Industries	0	\$ 893.00
2018	03	Pecos	Total All	10	Total, All Industries	0	\$ 889.00
	Total						\$ 3,667.00
	Avg						\$ 916.75

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	04	Pecos	Private	31-33	Manufacturing	2	\$ 974.00
2018	01	Pecos	Private	31-33	Manufacturing	2	\$ 1,064.00
2018	02	Pecos	Private	31-33	Manufacturing	2	\$ 973.00
2018	03	Pecos	Private	31-33	Manufacturing	2	\$ 1,008.00
	Total						\$ 4,019.00
	Avg						\$ 1,004.75
	110%						\$ 1,105.23

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

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

See attached Excel Spreadsheet

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

Date **4/4/2019**  
 Applicant Name **Taygete Energy Project II, LLC**  
 ISD Name **Fort Stockton**

Form 50-296A  
 Revised May 2014

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		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2019	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application	--		2020	0	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			2021	273,500,000	250,000	0		273,750,000
Complete tax years of qualifying time period	QTP1	2022-2023	2022	0	0	0	0	0
	QTP2	2023-3024	2023	0	0	0	0	0
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				273,500,000	250,000	0	0	273,750,000
				Enter amounts from TOTAL row above in Schedule A2				
<b>Total Qualified Investment (sum of green cells)</b>				273,750,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Date **4/4/2019**  
 Applicant Name **Taygete Energy Project II, LLC**  
 ISD Name **Fort Stockton ISD**

Form 50-296A  
 Revised May 2014

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
				Column A	Column B	Column C	Column D	Column E	
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)	
Total Investment from Schedule A1*	-	<b>TOTALS FROM SCHEDULE A1</b>							
Enter amounts from TOTAL row in Schedule A1 in the row below									
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	0	0	0	0	
	0	2020-2021	2020	0	0	0	0	0	
	0	2021-2022	2021	273,500,000	250,000			273,750,000	
Value limitation period***	1	2022-2023	2022	0	0	3,310,000	0	3,310,000	
	2	2023-2024	2023	0	0	3,376,200	0	3,376,200	
	3	2024-2025	2024	0	0	3,460,605	0	3,460,605	
	4	2025-2026	2025	0	0	3,547,120	0	3,547,120	
	5	2026-2027	2026	0	0	3,635,798	0	3,635,798	
	6	2027-2028	2027	0	0	3,726,693	0	3,726,693	
	7	2028-2029	2028	0	0	3,819,860	0	3,819,860	
	8	2029-2030	2029	0	0	3,915,357	0	3,915,357	
	9	2030-2031	2030	0	0	4,013,241	0	4,013,241	
	10	2031-2032	2031	0	0	4,113,572	0	4,113,572	
<b>Total Investment made through limitation</b>				273,500,000	250,000	36,918,446	0	310,668,446	
Continue to maintain viable presence	11	2032-2033	2032			4,216,411		4,216,411	
	12	2033-2034	2033			4,321,821		4,321,821	
	13	2034-2035	2034			4,429,867		4,429,867	
	14	2035-2036	2035			4,540,614		4,540,614	
	15	2036-2037	2036			4,654,129		4,654,129	
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037			4,770,482		4,770,482	
	17	2038-2039	2038			4,889,744		4,889,744	
	18	2039-2040	2039			5,011,988		5,011,988	
	19	2040-2041	2040			5,137,288		5,137,288	
	20	2041-2042	2041			5,265,720		5,265,720	
	21	2042-2043	2042			5,397,363		5,397,363	
	22	2043-2044	2043			5,532,297		5,532,297	
	23	2044-2045	2044			5,670,604		5,670,604	
	24	2045-2046	2045			5,812,369		5,812,369	
	25	2046-2047	2046			5,957,679		5,957,679	

\* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

\*\* Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or

\*\*\* If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

**Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)**

Date **4/4/2019**  
 Applicant Name **Taygete Energy Project II, LLC**  
 ISD Name **Fort Stockton 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				0	0	0	0
	0	2020-2021							
	0	2021-2022							
Value Limitation Period	1	2022-2023	2022	0	250,000	273,500,000	273,750,000	273,750,000	30,000,000
	2	2023-2024	2023	0	237,500	232,475,000	232,712,500	232,712,500	30,000,000
	3	2024-2025	2024	0	225,625	197,603,750	197,829,375	197,829,375	30,000,000
	4	2025-2026	2025	0	214,344	167,963,188	168,177,531	168,177,531	30,000,000
	5	2026-2027	2026	0	203,627	142,768,709	142,972,336	142,972,336	30,000,000
	6	2027-2028	2027	0	193,445	121,353,403	121,546,848	121,546,848	30,000,000
	7	2028-2029	2028	0	183,773	103,150,393	103,334,165	103,334,165	30,000,000
	8	2029-2030	2029	0	174,584	87,677,834	87,852,418	87,852,418	30,000,000
	9	2030-2031	2030	0	165,855	74,526,159	74,692,014	74,692,014	30,000,000
	10	2031-2032	2031	0	157,562	63,347,235	63,504,797	63,504,797	30,000,000
Continue to maintain viable presence	11	2032-2033	2032	0	149,684	54,700,000	54,849,684	54,849,684	54,849,684
	12	2033-2034	2033	0	142,200	54,700,000	54,842,200	54,842,200	54,842,200
	13	2034-2035	2034	0	135,090	54,700,000	54,835,090	54,835,090	54,835,090
	14	2035-2036	2035	0	128,336	54,700,000	54,828,336	54,828,336	54,828,336
	15	2036-2037	2036	0	121,919	54,700,000	54,821,919	54,821,919	54,821,919
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037	0	115,823	54,700,000	54,815,823	54,815,823	54,815,823
	17	2038-2039	2038	0	110,032	54,700,000	54,810,032	54,810,032	54,810,032
	18	2039-2040	2039	0	104,530	54,700,000	54,804,530	54,804,530	54,804,530
	19	2040-2041	2040	0	99,304	54,700,000	54,799,304	54,799,304	54,799,304
	20	2041-2042	2041	0	94,338	54,700,000	54,794,338	54,794,338	54,794,338
	21	2042-2043	2042	0	89,621	54,700,000	54,789,621	54,789,621	54,789,621
	22	2043-2044	2043	0	85,140	54,700,000	54,785,140	54,785,140	54,785,140
	23	2044-2045	2044	0	80,883	54,700,000	54,780,883	54,780,883	54,780,883
	24	2045-2046	2045	0	76,839	54,700,000	54,776,839	54,776,839	54,776,839
	25	2046-2047	2046	0	72,997	54,700,000	54,772,997	54,772,997	54,772,997

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.  
 Only include market value for eligible property on this schedule.

**Schedule C: Employment Information**

Date 4/4/2019  
 Applicant Name Taygete Energy Project II, LLC  
 ISD Name Fort Stockton

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	2019-2020	2019					
	0	2020-2021	2020					
	0	2021-2022	2021	250 FTE	51,000			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022				1	61,000
	2	2023-2024	2023				1	61,000
	3	2024-2025	2024				1	61,000
	4	2025-2026	2025				1	61,000
	5	2026-2027	2026				1	61,000
	6	2027-2028	2027				1	61,000
	7	2028-2029	2028				1	61,000
	8	2029-2030	2029				1	61,000
	9	2030-2031	2030				1	61,000
	10	2031-2032	2031				1	61,000
Years Following Value Limitation Period	11 through 25							

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)  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)?  Yes  No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?  Yes  No

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

**Date** 4/4/2019  
**Applicant Name** Taygete Energy Project II, LLC  
**ISD Name** Fort Stockton

**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:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Pecos County	2022	10 Years	1,169,058	\$1,000/MW	255,000
	City:	N/A	N/A	N/A	N/A	N/A
	Other:					
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions		N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements		N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project		N/A	N/A	N/A	N/A	N/A
Economic Development Corporation		N/A	N/A		N/A	
Texas Enterprise Fund		N/A	N/A		N/A	
Employee Recruitment		N/A	N/A		N/A	
Skills Development Fund		N/A	N/A		N/A	
Training Facility Space and Equipment		N/A	N/A		N/A	
Infrastructure Incentives		N/A	N/A		N/A	
Permitting Assistance		N/A	N/A		N/A	
Other:		N/A	N/A		N/A	
Other:		N/A	N/A		N/A	
Other:		N/A	N/A		N/A	
Other:		N/A	N/A		N/A	
<b>TOTAL</b>				1,169,058		255,000

Additional information on incentives for this project:

**TAB 15**

***Economic Impact***

Taygete Energy Project II, LLC, will not be including an Economic Impact Report.

**TAB 16**

**RESOLUTION OF THE  
PECOS COUNTY COMMISSIONERS COURT**

**A RESOLUTION AMENDING, RESTATING, AND DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 312 TAX ABATEMENT IN PORTIONS OF PECOS COUNTY, TEXAS, TO BE KNOWN AS THE "GRACE" REINVESTMENT ZONE; ESTABLISHING THE BOUNDARIES THEREOF; PROVIDING FOR AN EFFECTIVE DATE; AND APPROVING AMENDED AND RESTATED TAX ABATEMENT AGREEMENT.**

**WHEREAS**, Pecos County, Texas, desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (V.T.C.A. Texas Tax Code § 312.401), for the purpose of authorizing a Tax Abatement Agreement, as authorized by Chapter 312 of the Texas Tax Code; and,

**WHEREAS**, Pecos County, Texas, (the "County") desires to encourage the retention or expansion of primary employment and to attract major investment in the County that would be a benefit to property in a reinvestment zone created by the County and that would contribute to the economic development of the County;

**WHEREAS**, the County has adopted guidelines and criteria governing tax abatement agreements in a resolution dated on or about July 24, 2017; and,

**WHEREAS**, on October 22, 2018, the Pecos County Commissioners Court duly approved and designated the "Grace" Reinvestment Zone covering certain lands situated within the County (the "Original Reinvestment Zone");

**WHEREAS**, on October 22, 2018, the County duly approved and executed that certain Tax Abatement Agreement between the County and Taygete Energy Project, LLC;

**WHEREAS**, the County desires to amend, restate, and designate the "Grace" Reinvestment Zone such that the "Grace" Reinvestment Zone will include some additional adjacent lands to the Original Reinvestment Zone and to preserve certain of the lands to remain within the "Grace" Reinvestment Zone;

**WHEREAS**, the County held a hearing, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity which includes within its boundaries real property that is to be included in the proposed reinvestment zone as described on EXHIBIT A and mapped on EXHIBIT B; and,

**WHEREAS**, the Pecos County Commissioners Court at such public hearing invited any interested person to appear and speak for or against (1) the amendment, restatement, and designation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone, and (2) approval of an Amended and Restated Tax Abatement Agreement between the County and Taygete Energy Project, LLC, to conform to the amended and restated "Grace" Reinvestment Zone; and,

**WHEREAS**, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone; and,

**WHEREAS**, the County wishes to (1) amend, restate, and designate a reinvestment zone consisting of the same real property as described on EXHIBIT A and mapped on EXHIBIT B, and (2) approve the Amended and Restated Tax Abatement Agreement between the County and Taygete Energy Project, LLC, attached hereto as EXHIBIT C.

**NOW THEREFORE, BE IT RESOLVED BY THE PECOS COUNTY COMMISSIONERS COURT:**

**SECTION 1.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

**SECTION 2.** That the Pecos County Commissioners Court, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of the "Grace" Reinvestment Zone has been properly called, held, and conducted, and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the bounds of the Original Reinvestment Zone are hereby amended, replaced, and restated as follows herein; and,
- (c) That the boundaries of the "Grace" Reinvestment Zone be and, by the adoption of this Resolution, are declared and certified to be, the area as described in the description attached hereto as "EXHIBIT A"; and,
- (d) That the map attached hereto as "EXHIBIT B" is declared to be and (by the adoption of this Resolution) is certified to depict and to show accurately the boundaries of the "Grace" Reinvestment Zone, which is normatively described in "EXHIBIT A", and further certifies that the property described in "EXHIBIT A" is inside the boundaries shown on "EXHIBIT B"; and,
- (e) That creation of the "Grace" Reinvestment Zone with boundaries as described in "EXHIBIT A" and "EXHIBIT B" will result in benefits to Pecos County and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (f) That the "Grace" Reinvestment Zone described in "EXHIBIT A" and "EXHIBIT B" meets the criteria set forth in Texas Tax Code §312.401 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement

Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract major investment in the zone that will be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of Pecos County, Texas.

**SECTION 3.** That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Pecos County Commissioners Court, hereby creates a reinvestment zone under the provisions of Texas Tax Code § 312.401, encompassing the area described by the descriptions in "EXHIBIT A" and "EXHIBIT B", and such reinvestment zone is hereby designated and shall hereafter be referred to as the *Grace Reinvestment Zone*.

**SECTION 4.** That the *Grace Reinvestment Zone* shall take effect upon adoption by the County Commissioners Court and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such designation.

**SECTION 5.** That the Pecos County Commissioners Court already has found and resolved that Pecos County is eligible to enter into tax abatement agreements.

**SECTION 6.** That the Pecos County Commissioners Court hereby accepts, approves, amends, restates, and effectuates the Amended and Restated Tax Abatement Agreement between the County and Taygete Energy Project, LLC, such that the Amended and Restated Tax Abatement Agreement conforms to the boundaries of the "Grace" Reinvestment Zone established herein..

**SECTION 7.** That if any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

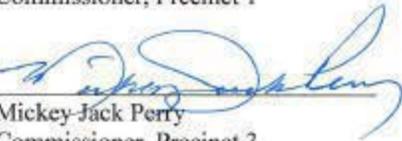
**SECTION 8.** That it is hereby found, determined, and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the Pecos County Commissioners Court, at which this resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Pecos County of the State of Texas; and that, furthermore, such notice was in fact delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

**PASSED, APPROVED, AND ADOPTED** on this 11<sup>th</sup> day of March, 2019.  
**PECOS COUNTY, TEXAS**

**[SIGNATURES FOLLOW ON SUBSEQUENT PAGE]**

By:   
The Honorable Joe Shuster  
County Judge

By:   
Tom Chapman  
Commissioner, Precinct 1

By:   
Mickey-Jack Perry  
Commissioner, Precinct 3

By:   
Robert Gonzales  
Commissioner, Precinct 2

By:   
Santiago Cantu, Jr.  
Commissioner, Precinct 4

**EXHIBIT A**  
**LEGAL DESCRIPTION OF "GRACE"**  
**REINVESTMENT ZONE**

**PARCEL 1:**

All of Section 2, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 2:**

All of Section 3, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 3:**

All of Section 8, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 4:**

All of Section 9, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 5:**

All of Section 10, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 6:**

All of Section 11, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 7:**

All of Section 13, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 8:**

All of Section 14, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 9:** --

All of Section 15, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 10:**

All of Section 16, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 11:**

All of Section 18, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 12:**

E2 of Section 28, Block C2, PSL Survey, Pecos County, Texas.

**PARCEL 13:**

All of Section 29, Block C2, PSL Survey, Pecos County, Texas.

**PARCEL 14:**

All of Section 1, Block 49, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 15:**

All of Section 4, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 16:**

All of Section 5, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 17:**

All of Section 6, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 18:**

All of Section 7, Block 48, Township 8, T&P Ry Co. Survey, Pecos County, Texas.

**PARCEL 19:**

All of Section 22, Block C2, PSL Survey, Pecos County, Texas.

**PARCEL 20:**

All of Section 26, Block C2, PSL Survey, Pecos County, Texas.

**PARCEL 21:**

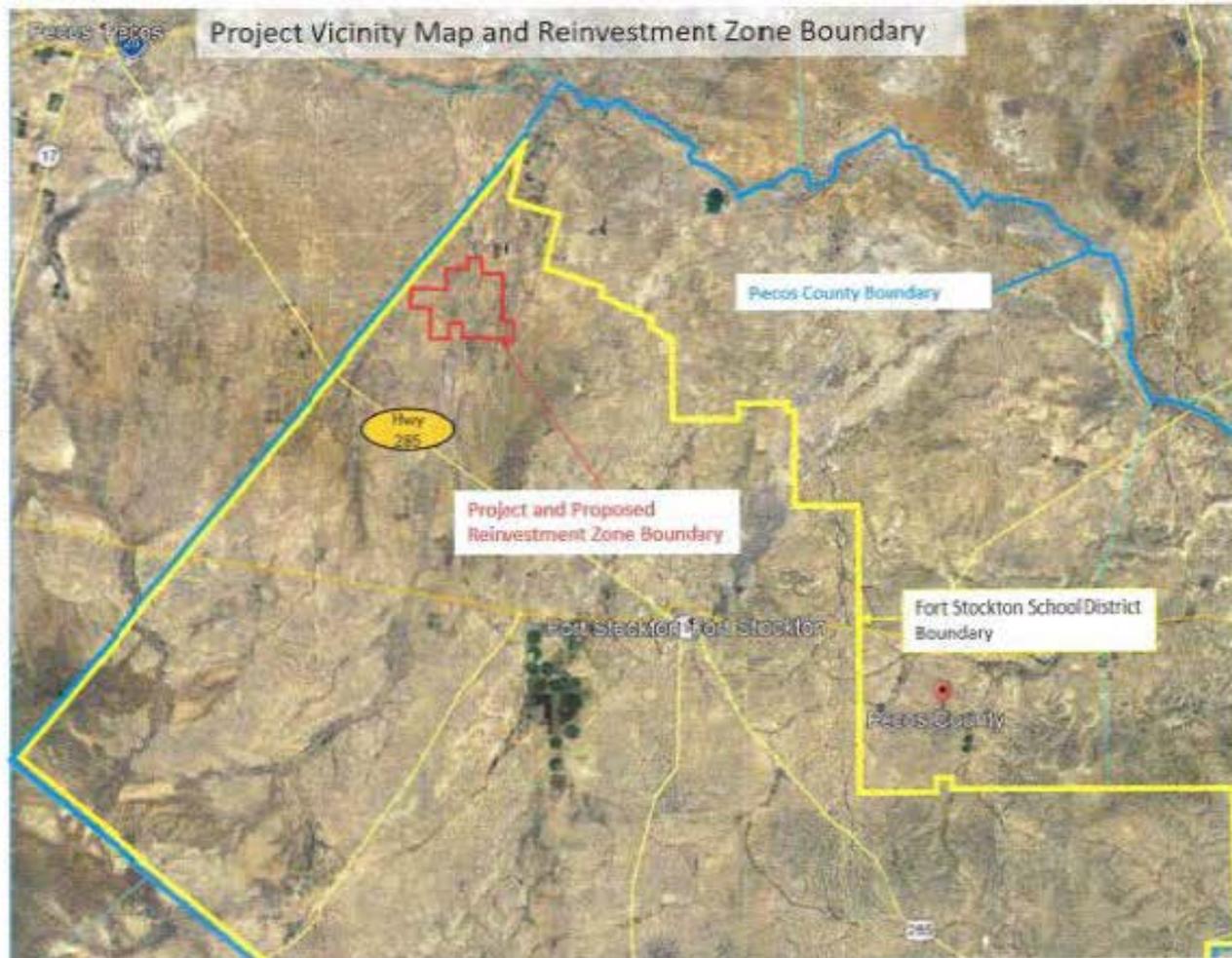
All of Section 27, Block C2, PSL Survey, Pecos County, Texas.

**PARCEL 22:**

W/2 of Section 28, Block C2, PSL Survey, Pecos County, Texas.

**EXHIBIT B  
MAP OF "GRACE"  
REINVESTMENT ZONE**

**[FOLLOWS ON SUBSEQUENT PAGES]**



**Legend**

- Project and Proposed Reinvestment Zone Boundary
- Pecos County Boundary

**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 -> Ralph Traynham Superintendent
Print Name (Authorized School District Representative) Title

sign here -> [Signature] 5-20-2019
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.

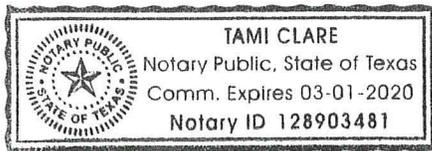
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here -> Scott Pryor Chief Development Officer
Print Name (Authorized Company Representative (Applicant)) Title

sign here -> [Signature] 4/10/2019
Signature (Authorized Company Representative (Applicant)) Date

GIVEN under my hand and seal of office this, the

14th day of May, 2019
[Signature]
Notary Public in and for the State of Texas



(Notary Seal)

My Commission expires: 3.1.20

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.