



CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

July 31, 2019

Mr. Eddy Perez
Attorney
Walsh Gallegos Trevino Russo & Kyle, PC
1020 N.E. Loop 410, Suite 450
San Antonio, TX 78209

Re: Amendment to Horizon Solar, LLC Chapter 313 Application to Pearsall ISD

Dear Mr. Perez:

On July 25th, Annette Holmes with the Comptroller's office emailed Horizon Solar a request for additional information. The text of her email is shown below with the company's responses shown in italics.

In reviewing Application 1388, I have noted the following items that will require revision or further clarification. In lieu of sending a deficiency letter, I am requesting to have the following issues resolved per this email. Please review and submit a response by Thursday, August 8, 2019. If these issues are not resolved and I do not receive the information by the date above, then a deficiency letter may be issued.

1. Tab 11: Maps

Please revise/provide the following regarding maps included with the application:

- a. Include a vicinity map with the county, school district boundary and nearby towns/highways/landmarks clearly identified (google map).
- b. Clearly indicate and label all proposed qualified property within a clearly defined and labeled Project Boundary.
- c. Clearly define and label the Reinvestment Zone and Project Boundaries.
- d. Note, if existing property is within the project boundary at the time of application is must be notated and labeled as existing property even if it will be demolished before construction.

Response: Updated maps are included in the amendment package. Per my conversation with Ms. Holmes, item d was not meant to be included in her request for more information and thus has not been addressed.

2. Section 14

- a. Please note that the 2019 Manufacturing Average Wages by Council of Government Region Wage for All Occupations will be updated on July 31, 2019. As such, wages for question 7 (c), 9, 10 and Tab 13 would need to be updated to reflect the July 31, 2019 changes, if the updates are made prior to you receiving a completeness letter.

Response: The regional wage rate has been updated in the amendment package.

3. Tab 16:

Please be advised that if Frio County Commissioners Court create the reinvestment zone, we will need the guidelines and criteria before we will be able to issue the Certificate Package.

Response: I discussed with Ms. Holmes that we are working with Frio County Commissioners Court to establish guidelines and criteria and understand that this must be furnished in order to receive a Certificate Package.

The below questions (1, 2 & 3) may be answered via email and do not require a new signature page:

1. Is the Horizon Solar, LLC currently known by any other project names?

Response: Tab 4 has been updated in the amendment package to show other project names.

If you have questions would you please let me know? A new signature page is attached. Would you please have Dr. Rodriguez sign and forward this amendment package to the Comptroller as soon as possible?

Sincerely,



D. Dale Cummings

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)?
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of _____
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)?
- Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create?
5. What is the number of new non-qualifying jobs you are estimating you will create?
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is
 - b. 110% of the average weekly wage for manufacturing jobs in the county is
 - c. 110% of the average weekly wage for manufacturing jobs in the region is
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property?
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

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

Dr. Nobert Rodriguez

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

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

print here

Karl Pierce

Print Name (Authorized Company Representative (Applicant))

Authorized Representative

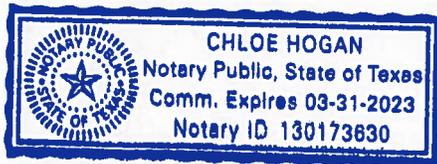
Title

sign here

Signature (Authorized Company Representative (Applicant))

Date

7/29/19



(Notary Seal)

GIVEN under my hand and seal of office this, the

29th day of July, 2019

Chloe Hogan
Notary Public in and for the State of Texas

My Commission expires: 3.31.2023

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.

TAB 4

Detailed Description of the Project

Provide 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.

Horizon Solar, LLC (“Horizon Solar”) is requesting an appraised value limitation from Pearsall Independent School District (“ISD”) for the Horizon Solar Project (the “Project”). Horizon Solar proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant in Pearsall Independent School District. The proposed Project will be constructed within a Reinvestment Zone that will be created by the Board of Trustees of Pearsall ISD or Frio County Commissioners Court at a future date. Maps showing the location of the Project are attached in Tab 11.

The Project will be constructed on approximately 1,650 acres, which is part of a larger, long-term lease agreement. The Project will be located entirely within Pearsall Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 200 MW-AC in size;
- Photovoltaic (PV) modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to a transmission line not owned by the Project;
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

Horizon Solar requests a value limitation for all real property and tangible personal property installed for the Project, including but not limited to: solar modules/panels, racking and mounting structures, inverters, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substation, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in the fourth quarter of 2021 with anticipated project completion by the fourth quarter of 2022.

The ERCOT GINR is 21INR0261 which was issued on February 14, 2019. The Project has also been known as Frio Solar and Frio County Solar.

TAB 13 TO CHAPTER 313 APPLICATION

**PEARSALL ISD - FRIO COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2018	\$ 1,028	\$ 53,456.00
SECOND	2018	\$ 999	\$ 51,948.00
THIRD	2018	\$ 960	\$ 49,920.00
FOURTH	2018	\$ 1,028	\$ 53,456.00
	AVERAGE	\$ 1,003.75	\$ 52,195.00

**PEARSALL ISD - FRIO COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2018	\$ 1,288.00	\$ 66,976.00
SECOND	2018	\$ 1,163.00	\$ 60,476.00
THIRD	2018	\$ 1,298.00	\$ 67,496.00
FOURTH	2018	\$ 943.00	\$ 49,036.00
	AVERAGE	\$ 1,173.00	\$ 60,996.00
	X	110%	110%
		\$ 1,290.30	\$ 67,095.60

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Alamo Area	2018	\$ 912.08	\$ 47,428.00
	X	110%	110%
		\$ 1,003.28	\$ 52,170.80

* SEE ATTACHED TWC DOCUMENTATION

**2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
<u>Alamo Area Council of Governments</u>	18	\$22.80	\$47,428
<u>Ark-Tex Council of Governments</u>	5	\$18.73	\$38,962
<u>Brazos Valley Council of Governments</u>	13	\$18.16	\$37,783
<u>Capital Area Council of Governments</u>	12	\$32.36	\$67,318
<u>Central Texas Council of Governments</u>	23	\$19.60	\$40,771
<u>Coastal Bend Council of Governments</u>	20	\$28.52	\$59,318
<u>Concho Valley Council of Governments</u>	10	\$21.09	\$43,874
<u>Deep East Texas Council of Governments</u>	14	\$18.28	\$38,021
<u>East Texas Council of Governments</u>	6	\$21.45	\$44,616
<u>Golden Crescent Regional Planning Commission</u>	17	\$28.56	\$59,412
<u>Heart of Texas Council of Governments</u>	11	\$22.71	\$47,245
<u>Houston-Galveston Area Council</u>	16	\$29.76	\$61,909
<u>Lower Rio Grande Valley Development Council</u>	21	\$17.21	\$35,804
<u>Middle Rio Grande Development Council</u>	24	\$20.48	\$42,604
<u>NORTEX Regional Planning Commission</u>	3	\$25.14	\$52,284
<u>North Central Texas Council of Governments</u>	4	\$27.93	\$58,094
<u>Panhandle Regional Planning Commission</u>	1	\$24.19	\$50,314
<u>Permian Basin Regional Planning Commission</u>	9	\$25.90	\$53,882
<u>Rio Grande Council of Governments</u>	8	\$18.51	\$38,493
<u>South East Texas Regional Planning Commission</u>	15	\$36.26	\$75,430
<u>South Plains Association of Governments</u>	2	\$20.04	\$41,691
<u>South Texas Development Council</u>	19	\$17.83	\$37,088
<u>Texoma Council of Governments</u>	22	\$21.73	\$45,198
<u>West Central Texas Council of Governments</u>	7	\$21.84	\$45,431

$\$47,428 \times 110\% =$
 $\$52,170.80$

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

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

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 50-296-A

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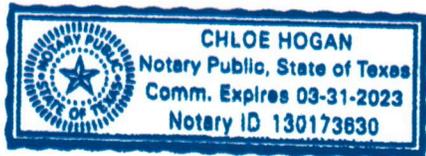
print here Dr. Nobert Rodriguez Superintendent
Print Name (Authorized School District Representative) Title
sign here [Signature] 8/1/19
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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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 Karl Pierce Authorized Representative
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] 7/29/19
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the 29th day of July, 2019
Chloe Hogan
Notary Public in and for the State of Texas
My Commission expires: 3.31.2023

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