

# UNDERWOOD

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July 25, 2019

John Villarreal  
Stephanie Jones  
Economic Development and Analysis Division  
Texas Comptroller of Public Accounts  
111 E. 17th St.  
Austin, TX 78774

*Via Email and Federal Express*

Re: 313 Application – Barranca Wind Energy, LLC

Dear John and Stephanie:

Enclosed please find an application for appraised value limitation on qualified property submitted to Zapata County ISD by Barranca Wind Energy, LLC on July 16, 2019, along with the schedules in Excel format. A CD containing these documents is also enclosed.

The Zapata County ISD Board elected to accept the application on July 16, 2019. The application was determined to be complete on July 25, 2019. We ask that the Comptroller's Office prepare the economic impact report for this application.

A copy of the application will also be submitted to the Zapata County Appraisal District in accordance with 34 Tex. Admin. Code §9.1054. Please feel free to contact me if you have any questions or concerns.

Sincerely,



Fred A. Stormer

Encl.  
0D18L6

cc: Chief Appraiser, Zapata County Appraisal District *via US Mail*  
Phillip Moore, Senior VP-Development *via email: pmoore@lincolnclean.com*  
Jenn Goodwillie, Director of Development *via email: jgoodwillie@lincolnclean.com*

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UNDERWOOD LAW FIRM, P.C.

AMARILLO

AUSTIN

FORT WORTH

LUBBOCK

PAMPA

# 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

July 16, 2019

Date Application Received by District

Carlos

Gonzales

First Name

Last Name

Superintendent of Schools

Title

Zapata County Independent School District

School District Name

1302 Glenn St.

Street Address

1302 Glenn St.

Mailing Address

Zapata

TX

78076

City

State

ZIP

956-765-6546

956-765-8350

Phone Number

Fax Number

cgonzales@zcisd.org

Mobile Number (optional)

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)**

<u>Fred</u> First Name	<u>Stormer</u> Last Name
<u>Attorney</u> Title	
<u>Underwood Law Firm</u> Firm Name	
<u>806-379-0306</u> Phone Number	<u>806-379-0316</u> Fax Number
	<u>fred.stormer@uwlaw.com</u> Email Address
<u>Mobile Number (optional)</u>	

4. On what date did the district determine this application complete? ..... July 25, 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)**

<u>Philip</u> First Name	<u>Moore</u> Last Name
<u>Senior Vice President - Development</u> Title	<u>Lincoln Clean Energy, LLC</u> Organization
<u>401 N Michigan Ave., Suite 501</u> Street Address	
<u>401 N Michigan Ave., Suite 501</u> Mailing Address	
<u>Chicago</u> City	<u>IL</u> State
<u>312-422-1604</u> Phone Number	<u>60611</u> ZIP
	<u>312-527-0538</u> Fax Number
<u>Mobile Number (optional)</u>	<u>pmoore@lincolnclean.com</u> 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.

<u>Jenn</u> First Name	<u>Goodwillie</u> Last Name
<u>Director of Development</u> Title	<u>Lincoln Clean Energy, LLC</u> Organization
<u>401 N Michigan Ave., Suite 501</u> Street Address	
<u>401 N Michigan Ave., Suite 501</u> Mailing Address	
<u>Chicago</u> City	<u>IL</u> State
<u>(512) 626-3417</u> Phone Number	<u>60611</u> ZIP
	<u>(312) 527-0538</u> Fax Number
<u>Mobile Number (optional)</u>	<u>jgoodwillie@lincolnclean.com</u> 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)

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

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? Barranca Wind Energy, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32067716558
3. List the NAICS code 221115
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 Corporation
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 ..... Q4 2019
- 2. Commencement of construction ..... Q4 2020
- 3. Beginning of qualifying time period ..... 1/1/2020
- 4. First year of limitation ..... 1/1/2022
- 5. Begin hiring new employees ..... Q4 2021
- 6. Commencement of commercial operations ..... Q4 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? ..... Q4 2021

**SECTION 10: The Property**

- 1. Identify county or counties in which the proposed project will be located Zapata County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Zapata 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: Zapata, .694026, 100% City: N/A  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)  
 Hospital District: N/A Water District: Zapata County Water, .36, 100%  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)  
 Other (describe): N/A Other (describe): N/A  
(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? ..... 20,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? ..... 25,000,000.00  
**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? \_\_\_\_\_

**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? ..... 5
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 ..... 993.25
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 2,169.48
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 663.00
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? ..... 34,477.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 34,477.00
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**.

## 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>

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 Item 3

#### Documentation of Combined Group Membership under Texas Tax Code 171.0001(7)

Documentation from Texas Comptroller's Franchise Tax Division to demonstrate combined group membership:

1. Barranca Wind Energy, LLC is a Delaware Limited Liability Company formed on June 27<sup>th</sup>, 2018.
2. Barranca Wind Energy, LLC is registered in the State of Texas as a foreign limited liability company, File Number 803061569, in the Office of the Secretary of State. Texas Taxpayer number 32067716558.
3. Barranca Wind Energy, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC, which is registered in the State of Texas as a foreign limited liability company, File Number 0802369618, in the Office of the Secretary of State. Taxpayer number 32059303761.
4. Contact information for Barranca Wind Energy, LLC is as follows:
  - a. Contact: Philip Moore
  - b. Phone: (512) 767 – 7461
  - c. Email: [pmoore@lincolnclean.com](mailto:pmoore@lincolnclean.com)
5. In addition, we have attached Form 05-166 (Texas Franchise Tax Affiliate Schedule) for Lincoln Clean Energy, LLC. Lincoln Clean Energy, LLC's affiliates are: Tahoka Wind, LLC; Lockett Windfarm, LLC; Willow Springs Wind Farm, LLC; Dermott Wind, LLC; Rockwood Energy Center, LLC; Staked Plains Energy, LLC; SP Energy 1, LLC; Shawnee Energy Center, LLC; Wayside Wind, LLC; Sage Draw Wind, LLC; Antelope Flats Wind, LLC; St. Lawrence Solar; SP Energy DM, LLC; SP Energy ET, LLC; SP Energy GL, LLC; SP Energy PV, LLC; SP Energy TL, LLC; LCE Asset Management Services, LLC; Lincoln Clean Energy Development, LLC; Helena Wind, LLC; Western Trail Wind, LLC; 2W Permian Solar, LLC; and Barranca Wind Energy, LLC.



### Texas Franchise Tax Extension Affiliate List

FILING REQUIREMENTS

Tcode 13298 Franchi

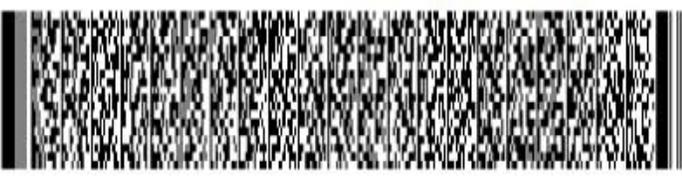
Reporting entity taxpayer number: 3 2 0 5 9 3 0 3 7 6 1  
 Report year: 2 0 1 8  
 Reporting entity taxpayer name: Lincoln Clean Energy, LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER <small>(If none, enter FEI number)</small>	BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. TAHOKA WIND, LLC	3 2 0 6 1 8 6 2 3 8 2	<input type="checkbox"/>
2. LOCKETT WINDFARM, LLC	3 2 0 5 7 0 2 5 9 8 6	<input type="checkbox"/>
3. WILLOW SPRINGS WINDFARM, LLC	3 2 0 5 6 6 9 8 2 6 2	<input type="checkbox"/>
4. DERMOTT WIND, LLC	3 2 0 5 6 7 6 8 1 1 5	<input type="checkbox"/>
5. ROCKWOOD ENERGY CENTER, LLC	3 2 0 5 4 4 9 4 9 2 0	<input type="checkbox"/>
6. STAKED PLAINS ENERGY, LLC	3 2 0 5 9 7 5 9 4 5 9	<input type="checkbox"/>
7. SP ENERGY 1, LLC	3 2 0 6 0 2 9 4 4 6 2	<input type="checkbox"/>
8. SHAWNEE ENERGY CENTER, LLC	3 2 0 5 6 7 5 1 3 9 2	<input type="checkbox"/>
9. WAYSIDE WIND, LLC	3 2 0 5 9 3 4 2 6 8 6	<input type="checkbox"/>
10. SAGE DRAW WIND, LLC	3 2 0 6 1 8 8 3 3 3 9	<input type="checkbox"/>
11. ANTELOPE FLATS WIND, LLC	3 2 0 6 1 8 4 2 0 9 5	<input type="checkbox"/>
12. ST. LAWRENCE SOLAR	3 2 0 5 9 7 7 5 9 0 1	<input type="checkbox"/>
13. SP ENERGY DM, LLC	3 2 0 6 0 9 5 5 0 0 5	<input type="checkbox"/>
14. SP ENERGY ET, LLC	3 2 0 6 0 9 5 5 0 5 4	<input type="checkbox"/>
15. SP ENERGY GL, LLC	3 2 0 6 0 9 5 5 1 1 2	<input type="checkbox"/>
16. SP ENERGY PV, LLC	3 2 0 6 1 1 1 6 8 3 9	<input type="checkbox"/>
17. SP ENERGY TL, LLC	3 2 0 6 1 1 1 6 8 5 4	<input type="checkbox"/>
18. LCE ASSET MANAGEMENT SERVICES, LLC	3 2 0 6 1 5 2 9 2 6 2	<input type="checkbox"/>
19. LINCOLN CLEAN ENERGY DEVELOPMENT, LLC	3 2 0 5 3 5 1 9 6 7 7	<input type="checkbox"/>
20. HELENA WIND, LLC	3 2 0 6 6 9 2 1 2 2 5	<input type="checkbox"/>
21. WESTERN TRAIL WIND, LLC	3 2 0 6 6 8 9 0 6 0 2	<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  FM





Texas Franchise Tax Extension Affiliate List

Tcode 13298 Franchi

FILING REQUIREMENTS

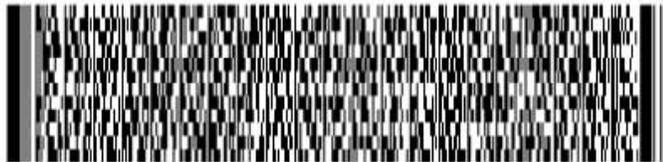
Reporting entity taxpayer number: 3 2 0 5 9 3 0 3 7 6 1  
 Report year: 2 0 1 8  
 Reporting entity taxpayer name: Lincoln Clean Energy, LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER <small>(If none, enter FEI number)</small>	BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. 2W PERMIAN SOLAR, LLC	3 2 0 6 8 4 2 0 1 7 6	<input type="radio"/>
2. BARRANCA WIND ENERGY, LLC	3 2 0 6 7 7 1 6 5 5 8	<input type="radio"/>
3.		<input type="radio"/>
4.		<input type="radio"/>
5.		<input type="radio"/>
6.		<input type="radio"/>
7.		<input type="radio"/>
8.		<input type="radio"/>
9.		<input type="radio"/>
10.		<input type="radio"/>
11.		<input type="radio"/>
12.		<input type="radio"/>
13.		<input type="radio"/>
14.		<input type="radio"/>
15.		<input type="radio"/>
16.		<input type="radio"/>
17.		<input type="radio"/>
18.		<input type="radio"/>
19.		<input type="radio"/>
20.		<input type="radio"/>
21.		<input type="radio"/>

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



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## **Tab Item 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.*

Barranca Wind Energy, LLC ("Barranca Windfarm") is requesting a Chapter 313 Appraised Value Limitation Agreement from Zapata County ISD for a proposed renewable energy project using wind turbines (the "Project") to be constructed in Zapata County ISD in southeast Zapata County. The Barranca Windfarm has also been known as the Vaquero Wind Project or the Vaquero Wind Farm. The installed capacity of the proposed project is expected to be approximately 300 megawatts (MW). The Project has requested interconnection with ERCOT and was assigned GINR 19INR0165 on February 28, 2018. While turbine type and size have yet to be finalized, the current plan is to utilize one hundred (100) GE 3.0 MW turbines. All land that is leased for the Project is privately-owned land, all currently used as ranch land, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in the fourth quarter of 2020 and is anticipated to be complete in the fourth quarter of 2021.

In addition to the wind turbines, the Project will also include an operations and maintenance building, a series of new access roads to the turbines, underground electrical collection cables, meteorological towers, a substation, and an overhead transmission line connecting to a substation at the Point of Interconnection. None of this property is covered under an existing appraisal district account number.

## Tab Item 5

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

Barranca Wind Energy, LLC is a Delaware limited liability company. Barranca Wind Energy, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC (“LCE”). LCE has successfully developed projects involving over \$1 billion in capital investment in some of the largest electricity markets in the United States, including California, New Jersey, and Texas.

The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability.

The Project has obtained the following state and local permits:

- Zapata County Tax Abatement 312

The Project was previously referred to as the Vaquero Wind Project when it was a wholly owned subsidiary of Bordas Renewable Energy. The project is now a wholly owned subsidiary of Lincoln Clean Energy, LLC. The Project has applied to ERCOT and it has been assigned GIR #19INR0165, which was assigned to Barranca Wind Energy, LLC.

The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

**Tab Item 6**  
Other School District Information

N/A

## **Tab Item 7**

### **Description of Qualified Investment**

Barranca Wind Energy, LLC plans to construct a 300 MW wind farm in Zapata County consisting of 100 turbines.

The Applicant is requesting an appraised value limitation on all the property constructed or placed upon the real property within Zapata County ISD. The qualified investment in Zapata County ISD is expected to include approximately one hundred (100) GE 3.0 MW wind turbine generators, including 110m towers, nacelles, rotors with 140m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, access roads, meteorological towers, and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately southwest to northeast in the southern part of Zapata County.

In addition to the wind turbines, the Project will also include an operations and maintenance building that will likely be located in the approximate center of the Project. The Project will also require a series of new access roads to the turbines, underground electrical collection cables, permanent meteorological towers, a substation, and an overhead transmission line connecting the project substation to the 345 Cenizo substation/Point of Interconnection.

## **Tab Item 8**

### **Description of Qualified Property**

Barranca Wind Energy, LLC plans to construct a 300 MW wind farm in Zapata County consisting of 100 turbines.

The Applicant is requesting an appraised value limitation on all the property constructed or placed upon the real property within Zapata County ISD. The qualified investment in Zapata County ISD is expected to include approximately one hundred (100) GE 3.0 MW wind turbine generators, including 110m towers, nacelles, rotors with 140m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, access roads, meteorological towers, and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately southwest to northeast in the southern part of Zapata County.

In addition to the wind turbines, the Project will also include an operations and maintenance building that will likely be located in the approximate center of the Project. The Project will also require a series of new access roads to the turbines, underground electrical collection cables, permanent meteorological towers, a substation, and an overhead transmission line connecting the project substation to the 345 Cenizo substation/Point of Interconnection.

**Tab Item 9**

**Description of Land**

The land will not be part of the qualified property for the Project.

**Tab Item 10**

**Description of all property not eligible to become qualified property**

N/A

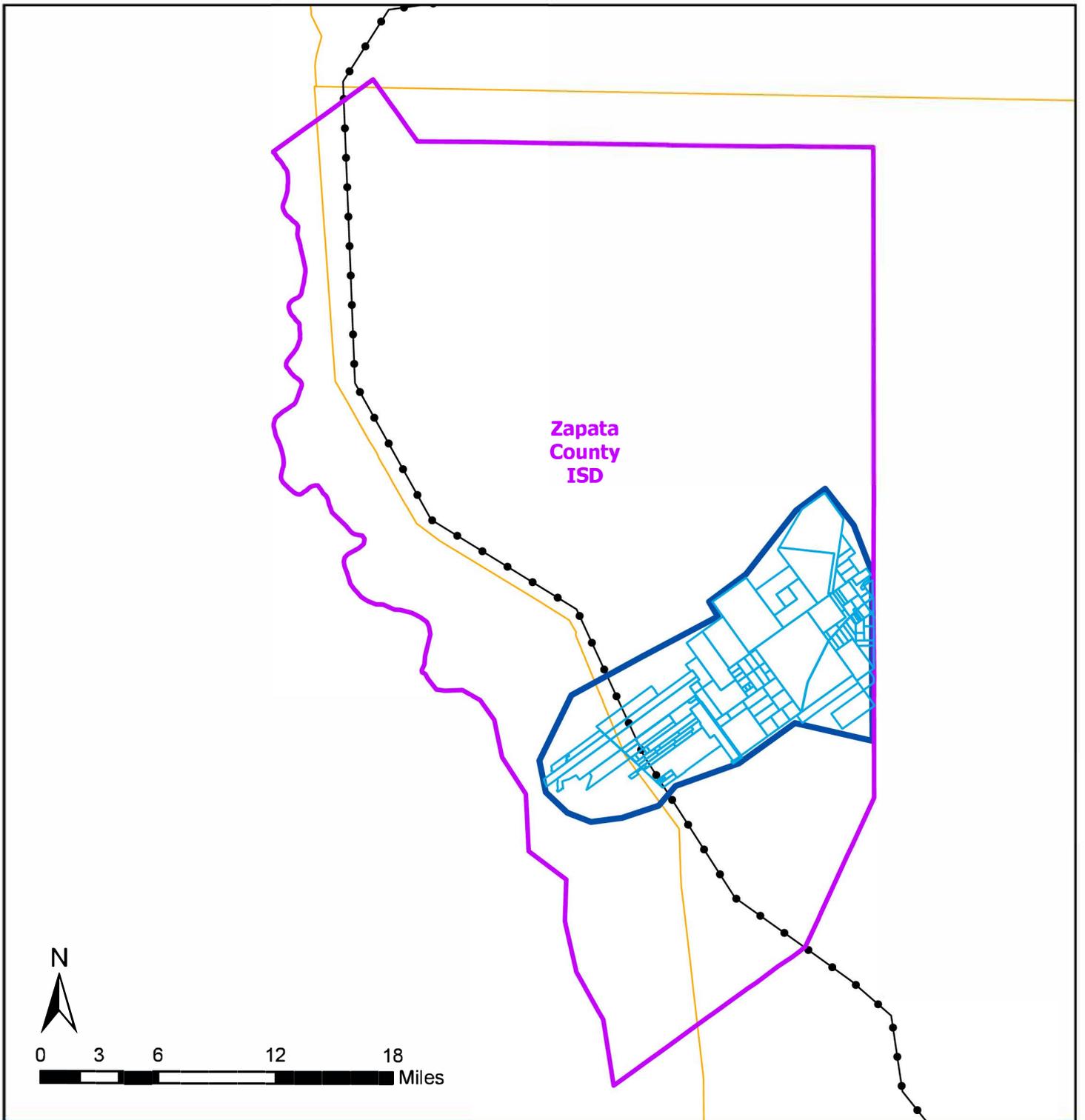
**Tab Item 11**

**Maps**

**Vicinity Map:**

**Location of Zapata County ISD Boundary, Zapata County Boundary, Project Boundary, Qualified Investment, and Qualified Property:**

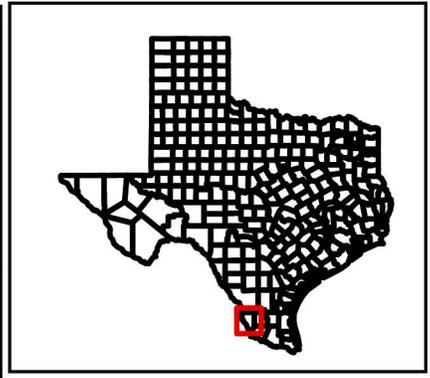
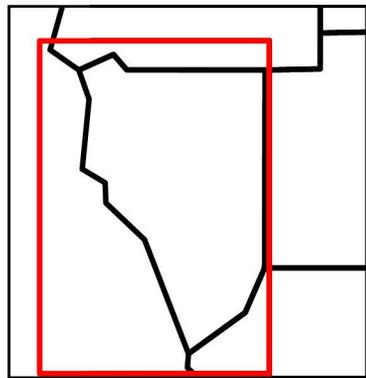
*See attached*



**Map of Potential Project  
Barranca Wind Project  
Project Property**

**Legend**

- AEP ETT
- █ Zapata County, Zapata ISD, Enterprise Zone
- █ Project Boundary
- █ Parcels



**Tab Item 12**  
**Request For Waiver of Job Creation Requirement**

July 16, 2019  
Superintendent Gonzales  
Zapata County ISD  
1302 Glenn Street  
Zapata, TX 78076

Re: Chapter 313 Job Waiver Request

Dear Superintendent Gonzales,

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

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that five (5) employees would be needed to operate a 300 MW facility, and we can commit to creating five (5) full-time positions to fill those needs. All would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Zapata ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a wind energy facility of this size, as evidenced by limitation agreement applications that have been filed by other wind energy developers, and by documentation related to the development and operation of wind generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners.

Kind Regards,



Jennifer Goodwillie  
Development Director  
Barranca Wind Energy, LLC

**Tab Item 13**

**Calculation of three possible wage requirements with TWC documentation**

**COG Region Wage**

South Texas Development Council		
2017 Average Manufacturing Wages	Hourly	Annual
	\$15.07	\$31,343.00
Avg Weekly Wage		\$602.75
110% of Region Weekly Wage		\$662.45
110% of Annual Wages		\$34,447.30

**Zapata County All Industries Average Wages**

	<u>Avg Weekly Wages</u>	<u>Annualized</u>
<b>Q1 2018</b>	\$901	\$46,862
<b>Q2 2018</b>	\$939	\$48,828
<b>Q3 2018</b>	\$945	\$49,140
<b>Q4 2017</b>	\$972	\$50,544

**Zapata County Average Manufacturing Weekly Wages**

	<u>Avg Weekly Wages</u>	<u>Annualized</u>
<b>Q1 2018</b>	\$2,208	\$114,816
<b>Q2 2018</b>	\$1,937	\$100,724
<b>Q3 2018</b>	\$1,893	\$98,436
<b>Q4 2017</b>	\$1,851	\$96,252
Average	\$1,972.25	\$102,557
	*110%	*110%
	\$2,169.48	\$112,813.00

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

Date **16-Jul-19**

Applicant Name **Barrancas Wind Energy, LLC**  
 ISD Name **Zapata County 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 new investment made during this year that will <b>not</b> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	<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	2019-2020	2019					
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								
Complete tax years of qualifying time period	QTP1	2020-2021	2020					\$0
	QTP2	2021-2022	2021	\$370,392,000	\$1,000,000			\$371,392,000
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				\$370,392,000	\$1,000,000	\$0	\$0	\$371,392,000
				Enter amounts from TOTAL row above in Schedule A2				
<b>Total Qualified Investment (sum of green cells)</b>				\$371,392,000				

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 **16-Jul-19**  
 Applicant Name **Barranca Wind Energy, LLC**  
 ISD Name **Zapata County 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>		\$370,392,000	\$1,000,000	\$0	\$0	\$371,392,000
Enter amounts from TOTAL row in Schedule A1 in the row below								
	0	2020-2021	2020					
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2021-2022	2021			\$0	\$0	\$0
	1	2022-2023	2022	\$0	\$0	\$0	\$0	\$0
	2	2023-2024	2023	\$0	\$0	\$0	\$0	\$0
	3	2024-2025	2024	\$0	\$0	\$0	\$0	\$0
	4	2025-2026	2025	\$0	\$0	\$0	\$0	\$0
	5	2026-2027	2026	\$0	\$0	\$2,000,000	\$0	\$2,000,000
	6	2027-2028	2027	\$0	\$0	\$2,000,000	\$0	\$2,000,000
	7	2028-2029	2028	\$0	\$0	\$2,000,000	\$0	\$2,000,000
	8	2029-2030	2029	\$0	\$0	\$2,000,000	\$0	\$2,000,000
	9	2030-2031	2030	\$0	\$0	\$2,000,000	\$0	\$2,000,000
<b>Total Investment made through limitation</b>				\$370,392,000	\$1,000,000	\$10,000,000	\$0	\$10,000,000
Continue to maintain viable presence	10	2031-2032	2031			\$3,000,000		\$3,000,000
	11	2032-2033	2032			\$3,000,000		\$3,000,000
	12	2033-2034	2033			\$3,000,000		\$3,000,000
	13	2034-2035	2034			\$3,000,000		\$3,000,000
	14	2035-2036	2035			\$3,000,000		\$3,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	15	2036-2037	2036			\$3,000,000		\$3,000,000
	16	2037-2038	2037			\$3,000,000		\$3,000,000
	17	2038-2039	2038			\$3,000,000		\$3,000,000
	18	2039-2040	2039			\$3,000,000		\$3,000,000
	19	2040-2041	2040			\$3,000,000		\$3,000,000
	20	2041-2042	2041			\$3,000,000		\$3,000,000
	21	2042-2043	2042			\$3,000,000		\$3,000,000
	22	2043-2044	2043			\$3,000,000		\$3,000,000
	23	2044-2045	2044			\$3,000,000		\$3,000,000
	24	2045-2046	2045			\$3,000,000		\$3,000,000
24	2046-2047	2046			\$3,000,000		\$3,000,000	

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

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

\*\*\* 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

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)**

**16-Jul-19**

Date

Applicant Name

**Barrancas Wind Energy, LLC**

**Form 50-296A**

ISD Name

Zapata County ISD

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>	QTP1	2020-2021	2020	\$0					
	QTP2	2021-2022	2021	\$0					
	1	2022-2023	2022	\$0	\$980,000	\$363,964,160	\$364,944,160	\$364,944,160	\$25,000,000
	2	2023-2024	2023	\$0	\$921,200	\$342,126,310	\$343,047,510	\$343,047,510	\$25,000,000
	3	2024-2025	2024	\$0	\$865,928	\$321,598,732	\$322,464,660	\$322,464,660	\$25,000,000
	4	2025-2026	2025	\$0	\$813,972	\$302,302,808	\$303,116,780	\$303,116,780	\$25,000,000
	5	2026-2027	2026	\$0	\$765,134	\$284,164,639	\$284,929,773	\$284,929,773	\$25,000,000
	6	2027-2028	2027	\$0	\$719,226	\$267,114,761	\$267,833,987	\$267,833,987	\$25,000,000
	7	2028-2029	2028	\$0	\$676,072	\$251,087,875	\$251,763,948	\$251,763,948	\$25,000,000
	8	2029-2030	2029	\$0	\$635,508	\$236,022,603	\$236,658,111	\$236,658,111	\$25,000,000
	9	2030-2031	2030	\$0	\$597,378	\$221,861,247	\$222,458,624	\$222,458,624	\$25,000,000
Continue to maintain viable presence	10	2031-2032	2031	\$0	\$561,535	\$208,549,572	\$209,111,107	\$209,111,107	\$25,000,000
	11	2032-2033	2032	\$0	\$527,843	\$196,036,598	\$196,564,440	\$196,564,440	\$196,564,440
	12	2033-2034	2033	\$0	\$496,172	\$184,274,402	\$184,770,574	\$184,770,574	\$184,770,574
	13	2034-2035	2034	\$0	\$466,402	\$173,217,938	\$173,684,340	\$173,684,340	\$173,684,340
	14	2035-2036	2035	\$0	\$438,418	\$162,824,861	\$163,263,279	\$163,263,279	\$163,263,279
Additional years for 25 year economic impact as required by 313.026(c)(1)	15	2036-2037	2036	\$0	\$412,113	\$153,055,370	\$153,467,482	\$153,467,482	\$153,467,482
	16	2037-2038	2037	\$0	\$387,386	\$143,872,047	\$144,259,433	\$144,259,433	\$144,259,433
	17	2038-2039	2038	\$0	\$364,143	\$135,239,725	\$135,603,867	\$135,603,867	\$135,603,867
	18	2039-2040	2039	\$0	\$342,294	\$127,125,341	\$127,467,635	\$127,467,635	\$127,467,635
	19	2040-2041	2040	\$0	\$321,757	\$119,497,821	\$119,819,577	\$119,819,577	\$119,819,577
	20	2041-2042	2041	\$0	\$302,451	\$112,327,951	\$112,630,403	\$112,630,403	\$112,630,403
	21	2042-2043	2042	\$0	\$284,304	\$105,588,274	\$105,872,578	\$105,872,578	\$105,872,578
	22	2043-2044	2043	\$0	\$267,246	\$99,252,978	\$99,520,224	\$99,520,224	\$99,520,224
	23	2044-2045	2044	\$0	\$251,211	\$93,297,799	\$93,549,010	\$93,549,010	\$93,549,010
	24	2045-2046	2045	\$0	\$236,138	\$87,699,931	\$87,936,070	\$87,936,070	\$87,936,070
	25	2046-2047	2046	\$0	\$221,970	\$82,437,935	\$82,659,906	\$82,659,906	\$82,659,906

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** 16-Jul-19  
**Applicant Name** Barrancas Wind Energy, LLC  
**ISD Name** Zapata County 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	21 FTEs	\$40,000	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	150 FTEs	\$40,000	0	0	0
	1	2022-2023	2022	N/A	N/A	0	5	\$34,477
	2	2023-2024	2023	N/A	N/A	0	5	\$34,477
	3	2024-2025	2024	N/A	N/A	0	5	\$34,477
	4	2025-2026	2025	N/A	N/A	0	5	\$34,477
	5	2026-2027	2026	N/A	N/A	0	5	\$34,477
	6	2027-2028	2027	N/A	N/A	0	5	\$34,477
	7	2028-2029	2028	N/A	N/A	0	5	\$34,477
	8	2029-2030	2029	N/A	N/A	0	5	\$34,477
	9	2030-2031	2030	N/A	N/A	0	5	\$34,477
	10	2031-2032	2031					
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047	N/A	N/A	0	5	\$34,477

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)**

16-Jul-19

Date

Applicant Name

Barrancas Wind Energy, LLC

Form 50-296A

ISD Name

Zapata County ISD

*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: Zapata County	2021	10 years	See details below.	See details below.	See details below.
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	10 years	N/A	N/A	N/A
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	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
<b>TOTAL</b>				n/a	n/a	n/a

Additional information on incentives for this project: The Project has obtained a Chapter 312 Agreement from Zapata County and received a 100% abatement of all County Ad Valorem taxes and will pay an annual

**Tab Item 15**

**Economic Impact Analysis**

*None.*

**Tab Item 16**

**Description of Reinvestment Zone**

Zapata County was designated as a Reinvestment Zone. See attachment.

**RESOLUTION OF THE COMMISSIONERS COURT  
OF ZAPATA COUNTY, TEXAS  
DESIGNATING REINVESTMENT ZONE**

A RESOLUTION DESIGNATING THE AREA OF ZAPATA COUNTY, TEXAS AS A REINVESTMENT ZONE FOR A COMMERCIAL-INDUSTRIAL TAX ABATEMENT IN ZAPATA COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, the Commissioners Court of Zapata County, Texas desires to promote the development or redevelopment of the geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Code §312.001, et. seq.), and Tax Abatement Guidelines and Criteria of Zapata County (the "Guidelines"); and

**WHEREAS**, on March 26, 2018, a hearing before the Commissioners Court of Zapata County, Texas was held, and such date at least seven days (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Zapata County and the delivery of written notice to the respective presiding officer of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

**WHEREAS**, the Commissioners Court of Zapata County, Texas at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the real property to be included should be included in the proposed 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;

**BE IT RESOVLED BY THE COMMISSIONERS COURT OF ZAPATA COUNTY, TEXAS**

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 Commissioners Court of Zapata County, Texas, 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 adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing

bodies of all taxing units inside the proposed reinvestment zone; and

- (b) That the boundaries of the proposed reinvestment zone should be the area depicted on the map attached hereto as Exhibit "A", said Exhibit being incorporated herein by reference for all purposes; and,
- (c) That creation of the reinvestment zone will result in benefits to Zapata County, Texas and to land included in the reinvestment zone and that the improvements sought are feasible and practical; and
- (d) The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property that would contribute to the economic development of Zapata County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Zapata County, Texas, that being of all of Zapata County.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, the Zapata County Commissioners Court hereby creates the Zapata County Reinvestment Zone; a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A", and such investment zone is hereby designated and shall hereafter be referred to as Zapata County Reinvestment Zone Number 2018-01.

SECTION 4. That Zapata County Reinvestment Zone Number 2018-01 shall take effect on March 26, 2018 and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation and may be renewed for an additional five (5) year period thereafter.

SECTION 5. 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.

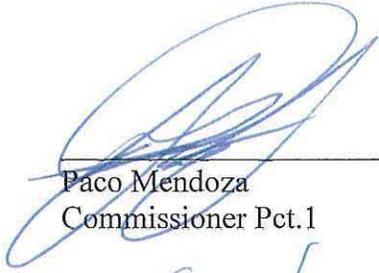
SECTION 6. That it is hereby found, determined and declared that sufficient notice of the date, hour, place and subject, of the meeting of the Zapata County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the 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 the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the 26<sup>th</sup> day of March, 2018.

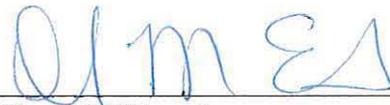
ZAPATA COUNTY, TEXAS



Honorable Joseph Rathmell  
Zapata County Judge



Paco Mendoza  
Commissioner Pct.1



Olga M. Elizondo  
Commissioner Pct.2



Eddie Martinez  
Commissioner Pct.3

Norberto Garza  
Commissioner Pct.4

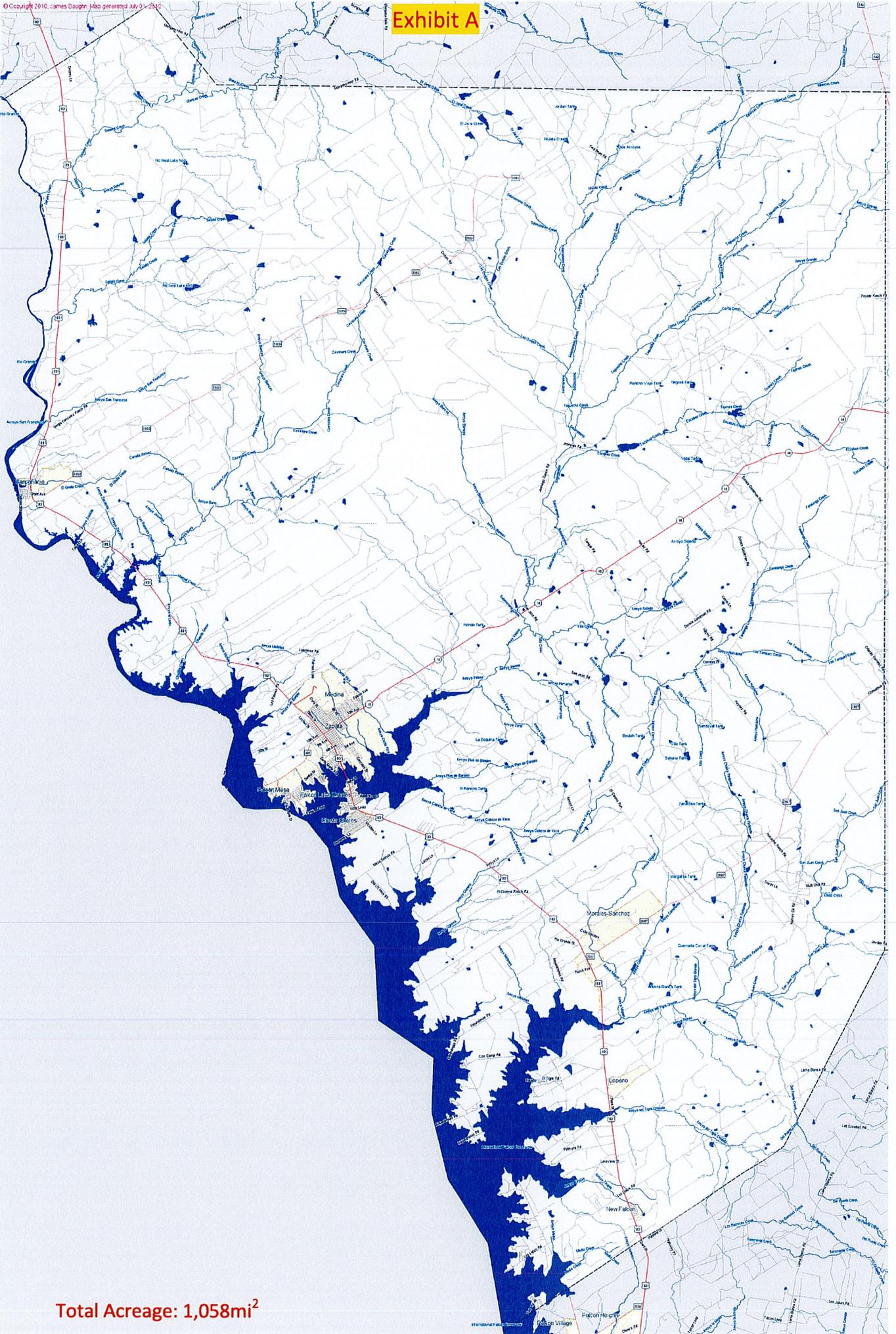
ATTEST:



Mary Jayne Villarreal-Bonoan  
County Clerk



**Exhibit A**



**Total Acreage: 1,058mi<sup>2</sup>**

Note: The entire boundary of Zapata County is designated as a Reinvestment Zone as indicated in the resolution.

**STATE OF TEXAS**

**ZAPATA COUNTY**

**TAX ABATEMENT GUIDELINES AND CRITERIA**

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

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

1. must be an Eligible Facility (as defined below);
2. must add at least Ten Million Thousand (\$10,000,000.00) to the tax roll of eligible property;
3. must be reasonably expected to have an increase in positive net economic benefit to Zapata County of at least Twenty Million Dollars (\$20,000,000.00) over the life of the Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement; and
4. must not be expected to solely or primarily have the effect of transferring employment from one part of Zapata County to another.

In addition to the criteria set forth above, the County reserves the right to negotiate a Tax Abatement Agreement in order to compete favorably with other communities.

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

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

It is the goal of the County to grant Tax Abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. **HOWEVER, NOTHING HEREIN SHALL IMPLY OR SUGGEST THAT THE COUNTY IS UNDER ANY OBLIGATION TO PROVIDE ANY TAX ABATEMENT, OR PROVIDE ANY LENGTH, LEVEL OR VALUE OF TAX ABATEMENT, TO ANY APPLICANT.**

This policy is effective as of the 11<sup>th</sup> day of December, 2017, and shall at all times be kept current with regard to the needs of Zapata County and reflective of the official views of the County, and shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the Commissioners does not:

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

#### **SECTION I. DEFINITIONS**

A. **“Abatement” or “Tax Abatement”** means the full or partial exemption from County ad valorem taxes of the increased values of eligible properties in a reinvestment zone designated as such in accordance with state law.

B. **“Agreement” or “Abatement Agreement”** means a contractual Agreement between a property owner and/or lessee and the County for the purpose of a tax abatement.

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

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

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

aquaculture/agriculture facility;  
distribution center facility;  
manufacturing facility;  
office building;

regional entertainment/tourism facility;  
research service facility;  
regional service facility;  
historic building in a designated area;  
renewable energy facility; or  
other basic industrial facility.

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

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

H. **“Lease”** means a relationship whereby the applicant applying for a tax abatement has a contract for exclusive possession of the real property on which improvements are to be made and/or personal property to be used for the operation of the business for a defined period of time.

I. **“Modernization”** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment. Modernization shall not include reconditioning, refurbishing, repairing or completion of deferred maintenance.

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

K. **“Personal Property”** means machinery, equipment and/or tools used, or bought or leased for use, in the operations of the person applying for tax abatement, other than that which was located on the real property at any time before execution of the tax abatement agreement. “Personal property” shall not include inventory supplies, office furniture, office equipment, motor vehicles, aircraft, housing, hotel accommodations, or deferred maintenance investments.

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

M. **“Real Property”** means the area of land defined by legal description as being owned or leased by the applicant applying for a tax abatement, including any improvements thereto, which is to be improved and valued for property tax purposes, and which is to be included in the Reinvestment Zone.

N. **“Reinvestment Zone”** is an area designated as such for the purpose of a tax abatement as authorized by the County in accordance with the Texas Tax Code (hereinafter Code”).

## SECTION II. REINVESTMENT ZONE DESIGNATION

- A. A Reinvestment Zone may only be designated in accordance with the Code.
- B. A Reinvestment Zone may only be designated by the Commissioners Court in an area of the County that does not include an area within the taxing jurisdiction of a municipality.
- C. An area may be designated as a Reinvestment Zone if the Commissioners Court, after a public hearing on the proposed designation, finds that the designation would attract major investment into the Reinvestment Zone that would be a benefit to the property to be included in the Reinvestment Zone and would contribute to the economic development of the County.
- D. A public hearing on a proposed Reinvestment Zone designation must be held prior to the findings and action of the Commissioners Court on the proposal. The public hearing shall be conducted in accordance with applicable provisions of the Code. The public hearing must also be posted as an agenda item in accordance with Chapter 551 of the Texas Government Code (the "Texas Open Meetings Act").
- F. If the Commissioners Court finds that designation of an area as a Reinvestment Zone is proper, such proposed designation shall be put to a vote of the Commissioners Court, and will pass if a majority of the members of the Commissioners Court in attendance vote to approve the designation. The order of the Commissioners Court designating the area as a Reinvestment Zone shall contain a sufficient description of the Reinvestment Zone.
- G. The designation of a Reinvestment Zone shall be for a period of five (5) years. No designation of a Reinvestment Zone shall exceed five (5) years, and a designation of a Reinvestment Zone shall automatically expire five (5) years after the date of designation unless renewed by the Commissioners Court for one or more subsequent periods not to exceed five (5) years each. The expiration of a designation of a Reinvestment Zone does not affect any existing tax abatement agreement relating to property in such Reinvestment Zone.
- H. Tax abatement agreements entered by the County shall be in compliance with all applicable requirements set forth in the Code.

## SECTION III. ABATEMENT AUTHORIZED

A. **Eligible Facilities/Value of Abatement.** Upon application, Eligible Facilities shall be considered for Tax Abatement as hereinafter provided. Eligible Facilities may be granted abatement on all or a portion of the increased value of eligible property, as described below, over the base year value for a period not to exceed ten (10) years. Such abatement, if granted as to real property, is not with regard to the entire value of the real property, but only to the extent that the value of the real property exceeds the value for the year in which the abatement is granted (i.e. the Base Year Value). Ad valorem taxes on tangible Personal Property may be abated to the extent of additions, but cannot be abated as to Personal Property located on the real property at any time before the tax abatement is executed, and cannot be abated for

inventory, supplies, office furniture, office equipment, motor vehicles, aircraft, housing, hotel accommodations, or deferred maintenance investments.

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

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

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

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

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

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

- (1) must be an Eligible Facility;
- (2) must add at least Five Hundred Thousand Dollars (\$500,000.00) to the tax roll of eligible property;
- (3) must be reasonably expected to have an increase in positive net economic benefit to Zapata County of at least One Million Dollars (\$1,000,000.00) over the life of the Abatement, computed to include (but not be limited to) new sustaining payroll and/or capital improvement. The creation of new jobs will also factor into the decision to grant an Abatement; and
- (4) must not be expected to solely or primarily have the effect of transferring employment from one part of Zapata County to another.

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

- (1) value of existing improvements, if any;
- (2) type and value of proposed improvements;
- (3) productive life of proposed improvements;
- (4) number of existing jobs to be retained by proposed improvements;
- (5) number and type of new jobs to be created by proposed improvements;
- (6) amount of local payroll to be created;
- (7) whether the new jobs to be created will be filled by persons residing or projected to reside within the affected taxing jurisdiction;
- (8) amount by which property tax base valuation will be increased during the term of Abatement and after Abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than Five Hundred Thousand Dollars (\$500,000.00);
- (9) expenses to be incurred in providing facilities directly resulting from the new improvements;
- ( ) the amount of ad valorem taxes to be paid to the County during the Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period;
- (1) the population growth of Zapata County that occurs directly as a result of new improvements;
- (2) the types and values of public improvements, if any, to be made by applicant seeking Abatement;
- (3) whether the proposed improvements compete with existing businesses to the detriment of the local economy;
- (4) the impact on the business opportunities of existing business;
- (5) the attraction of other new businesses to the area;
- (6) the overall compatibility with the zoning ordinances and comprehensive plan for the area; and
- (7) whether the project obtains all necessary permits from the applicable environmental agencies.

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

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

- (1) there would be substantial adverse effect on the provision of government services or tax base;
- (0) the applicant has insufficient financial capacity;
- (1) applicant activities would violate applicable codes or laws; or
- (2) any other reason deemed appropriate by the County.

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

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

#### SECTION IV. APPLICATION

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

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an Abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description (i.e survey); and a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The Commissioners Court may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant to be attached to the application. The completed application must be accompanied by the payment of a nonrefundable application fee for administrative costs and legal fees associated with the processing of the Tax Abatement request. All checks in payment of

the administrative fee shall be made payable to the County. The fee for Abatement requests shall be One Thousand and No/100 Dollars (\$1,000.00).

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

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

## **SECTION V. AGREEMENT**

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

(1) include a list of the kind, number and location of all proposed improvements to the property;

(2) provide access to and authorize inspection of the property by the taxing unit to insure compliance with the Agreement;

(3) limit the use of the property consistent with the taxing unit's development goals;

(4) provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the Agreement;

(5) include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the Agreement to each taxing unit; and

() allow the taxing unit to cancel or modify the Agreement at any time if the property owner fails to comply with the terms of the Agreement.

## **SECTION VI. RECAPTURE**

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

(90) days of the termination.

Should the County determine that the applicant or its assignee is in default according to the terms and conditions of its Agreement, the County shall notify the applicant in writing at the address stated in the Agreement, and if such is not cured within the time set forth in such notice (the "Cure Period"), then the Agreement may be terminated.

## **SECTION VII. ADMINISTRATION**

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

B. The County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the Abatement Agreement are being met. The Abatement Agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the Abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving forty-eight (48) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the applicant present and in accordance with its safety standards.

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

## **SECTION VIII. ASSIGNMENT**

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

## **SECTION VIII. SUNSET PROVISION**

These Guidelines and Criteria are effective upon the date of their adoption, and shall supersede and replace any and all prior guidelines and criteria for Tax Abatement in the County. These Guidelines and Criteria shall remain in force for two (2) years, unless amended by a three-

quarters (3/4) vote of the Commissioners, at which time all reinvestment zones and Tax Abatement Agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on such review, the Guidelines and Criteria will be modified, renewed or eliminated; provided, however, no modification or elimination of the Guidelines and Criteria shall affect Tax Abatement Agreements that have been previously approved until the parties thereto shall agree to amend such Agreements.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

PASSED, APPROVED AND ADOPTED on this the 11<sup>th</sup> day of December, 2017.



HON. JUDGE JOE RATHMELL  
Zapata County Judge



HON. PACO MENDOZA  
County Commissioner, Precinct 1



HON. EDDIE MARTINEZ  
County Commissioner, Precinct 3



HON. OLGA M. ELIZONDO  
County Commissioner, Precinct 2



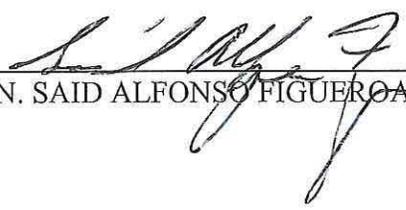
HON. NORBERTO GARZA  
County Commissioner, Precinct 4

ATTEST:



HON. MARY JAYNE VILLARREAL-BONOAN, County Clerk

APPROVED TO FORM:



HON. SAID ALFONSO FIGUEROA, County Attorney



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 Carlos M. Gonzalez, Jr. Superintendent of Schools
Print Name (Authorized School District Representative) Title
sign here [Signature] 7-17-2019
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

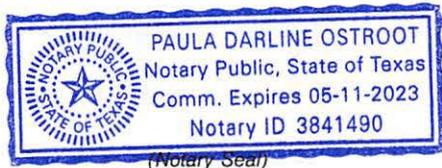
I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best 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 Philip Moore SVP
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] 7/17/2019
Signature (Authorized Company Representative (Applicant)) Date

GIVEN under my hand and seal of office this, the

17 day of July 2019
Paula D Ostroot
Notary Public in and for the State of Texas
My Commission expires: 5/11/2023



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.