# UNDERWOOD

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August 1, 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 – Cane Flats Solar Project, LLC

Dear John and Stephanie:

Enclosed please find an application for appraised value limitation on qualified property submitted to Carrizo Springs CISD by Cane Flats Solar Project, LLC on July 30, 2019, along with the applicant's request to treat certain materials as "CONFIDENTIAL," and the schedules in Excel format. The confidential material has been separated from the application (by tab in the notebook and a separate PDF in electronic form). A CD containing these documents is also enclosed.

The Carrizo Springs CISD Board elected to accept the application on July 30, 2019. The application was determined to be complete on August 1, 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 Dimmit 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

Fred A. Stormer

Encl.
P0D46CN

cc: Chief Appraiser, Dimmit County Appraisal District — ***via US Mail***
Georgio Pergamalis, EVP — ***via email: gpergamalis@savionenergy.com***
Robert Pena, Jr., Texas Energy Consultants — ***via email: rbjrpena@texas-kwh.com***

Application for Appraised Value Limitation

On Qualified Property

Submitted to:

Carrizo Springs Consolidated Independent School District

By:

Savion, LLC

Cane Flats Solar Project, LLC

July 30, 2019

**Tab 1**

See executed application attached.

# Application for Appraised Value Limitation on Qualified Property

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

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

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

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

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

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

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

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

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. 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 30, 2019
Date Application Received by District

Alberto
First Name

Gonzales
Last Name

Superintendent
Title

Carrizo Springs Consolidated Independent School District
School District Name

300 N 7th Street
Street Address

Mailing Address

Carrizo Springs
City

TX
State

78834
ZIP

(830) 876-3503
Phone Number

(830) 876-9700
Fax Number

Mobile Number (optional)

agonzales@cscisd.net
Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? . . . . . ☑ Yes ☐ No

## SECTION 1: School DIstrict Information *(continued)*

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

First Name: Fred
Last Name: Stormer
Title: Attorney
Firm Name: Underwood Law Firm, P.C.
Phone Number: (806) 379-0306
Fax Number: (806) 379-0316
Mobile Number *(optional)*:
Email Address: fred.stormer@uwlaw.com

4. On what date did the district determine this application complete? . . . . . August 1, 2019

5. Has the district determined that the electronic copy and hard copy are identical? . . . . . ☑ Yes ☐ No

## SECTION 2: Applicant Information

**1. Authorized Company Representative** ***(Applicant)***

First Name: Georgios
Last Name: Pergamalis
Title: Executive Vice President
Organization: Cane Flats Solar Project, LLC
Street Address: 16106 W. 113th St., Suite 108
Mailing Address:
City: Lenexa
State: KS
ZIP: 66219
Phone Number: 913-888-9463
Fax Number:
Mobile Number *(optional)*:
Business Email Address: gpergamalis@savionenergy.com

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? . . . . . ☑ Yes ☐ No

2a. If yes, please fill out contact information for that person.

First Name: Wade
Last Name: Gungoll
Title: Vice President of Development
Organization: Cane Flats Solar Project, LLC
Street Address: 16106 W. 113th St., Suite 108
Mailing Address:
City: Lenexa
State: KS
ZIP: 66219
Phone Number: (512) 804-8944
Fax Number:
Mobile Number *(optional)*:
Business Email Address: wgungoll@savionenergy.com

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

## SECTION 2: Applicant Information (continued)

**4. Authorized Company Consultant *(If Applicable)***

First Name: Robert
Last Name: Pena Jr.
Title: President
Firm Name: Texas Energy Consultants
Phone Number: (956) 386-9387
Fax Number: (877) 341-4474
Business Email Address: robjrpena@texas-kwh.com

## 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? Cane Flats Solar Project, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 32068710915
3. List the NAICS code 221114
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☑ No

   4a. If yes, please list application number, name of school district and year of agreement

## SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant *(corporation, limited liability corporation, etc)* Limited Liability 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:
   - ☑ Land has no existing improvements
   - ☐ Land has existing improvements *(complete Section 13)*
   - ☐ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ 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 . . . . . QTR 4 2019
2. Commencement of construction . . . . . QTR 4 2021
3. Beginning of qualifying time period . . . . . January 1, 2021
4. First year of limitation . . . . . January 1, 2023
5. Begin hiring new employees . . . . . QTR 3 2022
6. Commencement of commercial operations . . . . . QTR 4 2022
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? . . . . . QTR 3 2022

## SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Dimmit County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Dimmit CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? . . . . . ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

   County: Dimmit County, 0.3108, 100% *(Name, tax rate and percent of project)*

   City: N/A *(Name, tax rate and percent of project)*

   Hospital District: Dimmit Reg. Hsptl Dist., 0.07, 100% *(Name, tax rate and percent of project)*

   Water District: Wintergarden Grnd Water Cons., 0.0040, 100% *(Name, tax rate and percent of project)*

   Other *(describe)*: N/A *(Name, tax rate and percent of project)*

   Other *(describe)*: N/A *(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/.**

1. At the time of application, what is the estimated minimum qualified investment required for this school district? . . . . . 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying?. . . . . 30,000,000.00

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

## SECTION 12: Qualified Property

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

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

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

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

## SECTION 14: Wage and Employment Information

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

2. What is the last complete calendar quarter before application review start date:

   ☐ First Quarter ☑ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2019 (year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? . . . . . 0

   **Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? . . . . . 1

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

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? . . . . . ☑ Yes ☐ No

   6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

   a. Average weekly wage for all jobs (all industries) in the county is . . . . . 1,074.75

   b. 110% of the average weekly wage for manufacturing jobs in the county is . . . . . 532.40

   c. 110% of the average weekly wage for manufacturing jobs in the region is . . . . . 901.24

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? . . . . . 27,684.80

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? . . . . . 27,684.80

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? . . . . . ☑ Yes ☐ No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? . . . . . ☑ Yes ☐ No

    12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? . . . . . ☐ Yes ☑ No

    13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

## SECTION 15: Economic Impact

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

**Tab 2**

***Proof of Payment of Application Fee***

Please find on the attached page, a copy of payment for the $75,000 application fee to Carrizo Springs CISD.

Proof of payment of filing fee received by the Comptroller of Public Accounts per TAC Rule §9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public Accounts)*

**Tab 3**

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

Not Applicable.

**Tab 4**

***Detailed description of the project.***

***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.***

Cane Flats Solar Project, LLC ("Cane Flats"), is the project entity formed to facilitate the development of a utility-scale photovoltaic ("PV") solar energy project (The "Project"). Cane Flats is a wholly owned subsidiary of Savion, LLC ("Savion"). Savion is one of the most successful independent renewable energy development companies in the U.S., with over 56 full-time employees. Savion's team of subject matter experts in solar resource analysis, mapping systems, environmental studies, permitting, land acquisition, and power marketing places a unique emphasis on the development craft, which is unparalleled in the U.S. renewable energy market. Savion has developed over 11.2 gigawatts ("GW") of solar energy facilities across 130 projects, which are either operating, in-construction, or are contracted to be in constructed.

Savion is actively evaluating renewable energy project opportunities in locations across the United States at various stages of development.

Cane Flats seeks to develop and interconnect 127.5 megawatts ("MW") of power into the ERCOT market. There are no existing 312 or 313 agreements in place for the Project. Cane Flats is requesting an appraised value limitation from Carrizo Springs CISD for a proposed solar energy project using PV solar energy panels and transmission facilities. The solar energy facility and its associated infrastructure will be constructed within Dimmit County, Texas. A map showing the location of the solar energy facility is included as Attachment 11a.

The Project will have an estimated capacity of 127.5 MW. The Project is located on approximately 1,100 acres of contiguous land located entirely within Carrizo Springs CISD. Cane Flats has signed leases and option agreements with property owners of the property needed to construct the Project. The Project will consist of over 450,000-1.65 MW solar PV modules, connected to form strings, which are subsequently connected in parallel and mounted on rows of horizontal, single axis trackers. The Project will also feature central power inverters and transformers to convert DC power to AC electricity. In addition to the major equipment, there will be the supporting electrical collection system, project battery storage facility with a capacity of 40.6MWac, and supporting facilities to be constructed and improved as necessary, as well as overhead transmission lines, a collection substation to permit the interconnection and transmission of electricity generated by the Project, and an operations and maintenance building constructed within the Project's boundary.

Future Energy Scenarios (FES) reported in it's 2019 insight report that reductions in cost of solar technology, as well as co-location of energy production with increasingly cheaper battery

storage, will boost solar growth into the later part of the next decade. Co-location of a project with storage could assist avoiding grid curtailment as well as allowing excess solar energy to be stored and relocated when the network has the capacity.

The U.S. energy storage market is expected to exceed $4 billion by 2024 according to SEIA U.S. Solar Market Insight Report released in June 2019. Energy Storage is coming of age, in Quarter 1 2019 was the largest ever quarter for the U.S. energy storage deployments, with 148.8 MWac of energy storage installed. The U.S. energy storage market grew 232% year over year in 2019. Savion, has taken an interest in the fast growing energy storage market, investing in Dimmit County and Cane Flats.

Construction of the solar energy facility is expected to take approximately 8 months to complete, contingent upon favorable economics for the Project.

While the solar energy resource for Dimmit County, Texas is excellent, there are many favorable locations for solar energy projects that could be developed across the United States. Cane Flats considers a Limitation of Appraised Value Agreement with Carrizo Springs CISD as a key and invaluable portion of the Project.

In today's competitive energy market, project investors and power purchasers require solar energy projects to have secured tax incentives, so that they can compete with solar energy projects across the U.S.

Solar energy facilities are operating and under development in many states throughout the country, with 4.7 GW currently under construction. The United States now has over 44 gigawatts ("GW") of installed solar capacity, enough to power millions of homes, according to the Solar Energy Industries Association ("SEIA"). In Quarter 1 of 2019, the U.S. solar market installed 2.7 GW of solar energy, marking the largest quarter in history for the U.S. According to SEIA, over 22 states installed over 100 MW in 2016, up from just 13 in 2015. While California has historically been the largest state market, other states are growing, such as Utah, Georgia, Nevada, and North Carolina. Together with Texas, these states make up the top six markets for highest total installations in 2016.

Locations for the development of solar energy projects are abundant and the Applicant can locate a project in a wide variety of locations across the United States, should it be unable to develop a competitive project in Texas that is able to generate returns sufficient enough to attract investment capital.

As construction is one of the most significant costs in creating a solar energy facility, the physical improvements of the Project, once completed, cannot be feasibly moved to another location. The solar modules and supporting infrastructure are long-lived assets engineered and designed specifically for this Project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive.

Cane Flats was formed for the express purpose of developing a photovoltaic solar energy facility that could help bring significant economic development to the area. Savion identified Texas, and in particular Dimmit County and Carrizo Springs CISD, for its strong solar energy resource, access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation. For these reasons, Cane Flats seeks to develop and build the proposed Project as described throughout this Application.

Cane Flats has invested additional capital in interconnecton studies with ERCOT, environmental and wildlife studies, and has entered into letters of intent and purchase option for land for the Project.

Should the Appraised Value Limitation be granted, Cane Flats has created a development and investment plan that is capitalized to implement the Project. Without such a limitation, the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other states competing for similar solar energy projects.

**Tab 5**

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

***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.***

**2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?**

Cane Flats Solar Project, LLC has entered into the following representative agreements and contracts for the development of a project within Carrizo Springs CISD:

- Letters of Intent and Purchase Options covering approximately 1,100 acres;
- Interconnect Studies and Agreement; and
- Third-party contracts for development-related work, such as resource estimation, legal review, and construction planning.

**7. Is the applicant evaluating other locations not in Texas for the proposed project?**

Yes. Savion's management team is uniquely qualified to develop and construct PV solar energy projects in the United States with favorable solar energy resource. With a combined 15+ years of experience in the renewable energy industries, the Savion team has a proven track record of developing, financing, and constructing large-scale renewable energy projects. Our collective experience includes over 11.2 gigawatts of solar projects. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Colorado
Florida
Georgia
Illinois
Kansas
Arkansas
Alabama
Kentucky
Michigan
Pennsylvania
Indiana
New Mexico
South Carolina
Wisconsin
Oklahoma
Louisiana
Mississippi
Virginia
New York

For these reasons, Savion studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive. Without a Value Limitation program, Savion would seek to move to alternative sites OUTSIDE of the State of Texas.

Cane Flats Solar Project, LLC is currently in a period of evaluation to determine whether the identified site in Carrizo Springs CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 127.5 MW Cane Flats could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $184M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.

**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?**

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Cane Flats Solar Project, LLC.

**Tab 6**

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

***5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.***

All of the planned Qualified Property for the Project is solely located in Carrizo Springs CISD and in no other school district.

**Tab 7**

***Description of Qualified Investment***

***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(7) (Tab 7).***

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property described and shown in Map Exhibit within Carrizo Springs CISD, which is located in Dimmit County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following:

- 450,000-1.65MW Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project battery storage facility with a capacity of 40.6MWac;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems.

Additionally, the map provided in Tabs 11b and 11c do not present exact the location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on map provided in Tab 11a. The exact placement and size of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. Any changes in the number of PV modules will not have a significant impact on the total investment amount. The life expectancy of the project is projected at a minimum of 30 years.

***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).***

The Applicant will be placing a project battery storage facility with a capacity of 40.6MWac. This permanent storage facility will allow excess solar energy collected to be stores and relocated when the network has capacity.

## Tab 8

### *Description of Qualified Property*

Cane Flats Solar Project, LLC plans to construct an estimated 127.5 MW photovoltaic solar energy facility in Dimmit County, located entirely within Carrizo Springs CISD. The additional improvements of Qualified Property includes:

- 450,000-1.65MW Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project battery storage facility with a capacity of 40.6MWac;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems.

The exact placement of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. All equipment outlined above is expected to be located within Carrizo Springs CISD. The final number and location of units and supporting structures will be determined before construction begins. Current plans are to install all equipment in one phase. Cane Flats intends to connect to the Bevo 138kV substation. All of the infrastructure will remain within the project boundary and within the Cane Flats Reinvestment Zone. The map in Tab 11b shows the proposed project area with the anticipated improvement locations.

**Tab 9**

***Description of Land***

Not Applicable.

**Tab 10**

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

Not Applicable.

**Tab 11**

***Maps that clearly show:***

a. ***Project vicinity***
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***
c. ***Qualified property including location of new buildings or new improvements***
d. ***Existing property***
e. ***Land location within vicinity map***
f. ***Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

**Tab 11a**

***a. Project vicinity***

Please see attached map.

## Project Vicinity Cane Flats

- Project Boundary
- Proposed Reinvestment Zone
- Independent School District Boundary

Miles

0 2.5 5 10

N

Scale 1:400,000

SAVION
A R NEWAB N R Y CO APANY
16105 W 113th St, Suite 108
Lenexa, KS 66219

**Confidentiality of Maps Submitted with Cane Flats Solar Project, LLC Chapter 313 Appraised Value Limitation Application with Carrizo Springs CISD**

July 30, 2019

Mr. Alberto Gonzales
Superintendent of Carrizo Springs Consolidated Independent School District
300 N. 7th St
Carrizo Springs, TX 78834

**Re: Confidentiality of Maps Submitted with Cane Flats Solar Project, LLC Chapter 313 Appraised Value limitation Application with Carrizo Springs CISD**

June 03, 2019

To Whom It May Concern:

As an attachment to the Cane Flats Solar Project, LLC Chapter 313 Appraised Value Limitation Application submitted to Carrizo Springs CISD on July 30, 2019 ("Application"), we designated certain maps, the Qualified Investment and Qualified Property maps, attached thereto ("Maps") as "Confidential". We submit this letter to comply with the requirements by which both Carrizo Springs CISD and the Comptroller's office can withhold confidential or proprietary information from public release while the Application is pending. This letter is submitted to identify the documents for which confidentiality is sought and provide the specific reasons, stating why the material is believed to be confidential.

The Maps reflect the proposed specific site plan and the location of tangible personal property to be located on real property covered by the Application- all of which continue to be refined. In addition, and at this time, disclosure of the Maps could be potentially valuable to our competitors and any disclosure could negatively impact the project. The Maps include commercially valuable geological or geophysical information regarding the exploration or development of natural resources and is protected from disclosure under section 552.113 of the Texas Government Code. As required, the Maps were submitted as segregated in the application from other information in the application and specifically notated as "Confidential".

It is our intention to complete negotiations relating to both the location of the property and the tangible personal property during the time the Application is pending and understand that the Maps can only remain confidential and withheld from public release unless and until the governing body of the school district acts on the application.

To the extent you have any questions regarding this letter, please contact me for further clarification.

Sincerely,

**Georgios Pergamalis**
Executive Vice President
SAVION, LLC

**Tab 11b**

***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***

CONFIDENTIAL – FOR SEPARATE FILING

**Tab 11c**

***c. Qualified property including location of new buildings or new improvements***

CONFIDENTIAL – FOR SEPARATE FILING

**Tab 11d**

***d. Existing property***

Not Applicable.

**Tab 11e**

***e. Land location within vicinity map***

Not Applicable.

**Tab 11f**

***f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Please see the attached maps.

## Project Vicinity & Reinvestment Zone
## Cane Flats

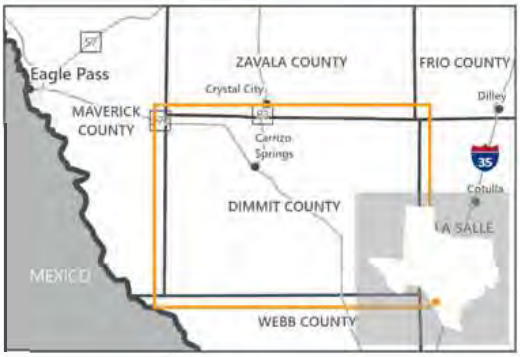
- Project Boundary
- Proposed Reinvestment Zone
- Independent School District Boundary

Miles

0 2.5 5 10

N

Scale 1:400,000




Site Location

**Tab 12**

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

See attached waiver request.

SAVION
A RENEWABLE ENERGY COMPANY
16105 W 113th St, Suite 108
Lenexa, KS 66219

**Request of Waiver for Job Creation Requirement**

July 30, 2019

Mr. Alberto Gonzales
Superintendent of Carrizo Springs Consolidated
Independent School District
300 N. 7th St
Carrizo Springs, TX 78834

**Re: Chapter 313 Job Waiver Request Cane Flats Solar Project, LLC**

Dear Mr. Gonzales,

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

Based upon knowledge of staffing requirements, Cane Flats Solar Project, LLC, requests the job creation requirement under Chapter 313 of the Texas Tax Code be waived. In line with solar industry standards for job requirements, Cane Flats Solar Project, LLC, has committed to create one (1) new permanent job. Solar projects create a large number of full-time, temporary jobs during the construction phase (1st year) but require a small number of highly skilled technicians to operate the solar project once construction operations end and commercial operations begin. Hiring one (1) permanent, full-time employee is industry standard for a 127.5 MW utility-scale solar energy facility.

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

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

Sincerely,

**Georgios Pergamalis**
Executive Vice President
SAVION, LLC

**Tab 13**

***Calculation of Wage Requirements – Dimmit County***

**Supporting data for Section 14(7)(a)**

Average weekly wage for all jobs (all industries) in the county

| Year | Period | Area | Ownership | Division | Level | Ind. Code | Industry | Avg. Weekly Wages |
|---|---|---|---|---|---|---|---|---|
| 2018 | 1st Qtr | Dimmit County | Total All | 0 | 0 | 10 | Total, All Industries | $1,096.00 |
| 2018 | 2nd Qtr | Dimmit County | Total All | 0 | 0 | 10 | Total, All Industries | $1,017.00 |
| 2018 | 3rd Qtr | Dimmit County | Total All | 0 | 0 | 10 | Total, All Industries | $1,054.00 |
| 2018 | 4th Qtr | Dimmit County | Total All | 0 | 0 | 10 | Total, All Industries | $1,132.00 |
| **Average weekly wage for previous four quarters** | | | | | | | | **$1,074.75** |

*Source: Quarterly Employment and Wages (QCEW) data for Dimmit County,*
*https://texaslmi.com/LMIbyCategory/QCEW*

**Supporting Data for Section 14(7)(b)**

110% of the average weekly wage for manufacturing jobs in the county

| Year | Period | Area | Ownership | Division | Level | Ind. Code | Industry | Avg. Weekly Wages |
|---|---|---|---|---|---|---|---|---|
| 2018 | 1st Qtr | Dimmit County | Private | 0 | 0 | 10 | Manufacturing | $471.00 |
| 2018 | 2nd Qtr | Dimmit County | Private | 0 | 0 | 10 | Manufacturing | $478.00 |
| 2018 | 3rd Qtr | Dimmit County | Private | 0 | 0 | 10 | Manufacturing | $529.00 |
| 2018 | 4th Qtr | Dimmit County | Private | 0 | 0 | 10 | Manufacturing | $458.00 |
| **Average weekly wage for previous four quarters** | | | | | | | | **$484.00** |
| **110% of Average Weekly Wages** | | | | | | | | **$532.40** |

*Source: Quarterly Employment and Wages (QCEW) data for Dimmit County,*
*https://texaslmi.com/LMIbyCategory/QCEW*

**Supporting Data for Section 14(7)(c)**

110% of the average weekly wage for manufacturing jobs in the region

| | |
|---|---|
| **Average Hourly Wages** | $20.48 |
| **Average Annual Wages** | $42,604.00 |
| **Average Weekly Wages @40hrs/week** | $819.31 |
| **110% of Average Weekly Wages** | **$901.241** |

*Source: 2018 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 24. Middle Rio Grande Development Council.*
*https://texaslmi.com/Home/PopularDownloads*

| Year | Period | Area | Ownership | Industry Code | Industry | Average Weekly Wage |
|---|---|---|---|---|---|---|
| 2018 | 01 | Dimmit | Total All | 10 | Total, All Industries | $ 1,096.00 |
| 2018 | 02 | Dimmit | Total All | 10 | Total, All Industries | $ 1,017.00 |
| 2018 | 03 | Dimmit | Total All | 10 | Total, All Industries | $ 1,054.00 |
| 2018 | 04 | Dimmit | Total All | 10 | Total, All Industries | $ 1,132.00 |

| Year | Period | Area | Ownership | Industry Cod | Industry | Average Weekly Wage |
|---|---|---|---|---|---|---|
| 2018 | 01 | Dimmit | Private | 31-33 | Manufacturing | $ 471.00 |
| 2018 | 02 | Dimmit | Private | 31-33 | Manufacturing | $ 478.00 |
| 2018 | 03 | Dimmit | Private | 31-33 | Manufacturing | $ 529.00 |
| 2018 | 04 | Dimmit | Private | 31-33 | Manufacturing | $ 458.00 |

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

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

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.
Data published: July 2019
Data published annually, next update will be July 31, 2020
Annual wage figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas Occupational Employment Statistics (OES) data,
and is not to be compared to BLS estimates.
Data intended only for use in implementing Chapter 313, Tax Code.

**Tab 14**

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

Please see attached Schedules.

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

Date 7/29/2019
Applicant Name Cane Flats Solar Project, LLC
ISD Name Carrizo Springs CISD

**Form 50-296A**
*Revised May 2014*

**PROPERTY INVESTMENT AMOUNTS**

**(Estimated Investment in each year. Do not put cumulative totals.)**

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A<br>New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property | Column B<br>New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property | Column C<br>Other new investment made during this year that will not become Qualified Property [SEE NOTE] | Column D<br>Other new investment made during this year that may become Qualified Property [SEE NOTE] | Column E<br>**Total Investment** (Sum of Columns A+B+C+D) |
|---|---|---|---|---|---|---|---|---|
| Investment made before filing complete application with district | -- | | | Not e gib e to become Qua if ed 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 | | | | | | | | |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Complete tax years of qualifying time period | QTP1 | 2021-2022 | 2021 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | QTP2 | 2022-2023 | 2022 | $ 183,200,000.00 | $ 250,000.00 | 0.00 | 0.00 | $ 183,450,000.00 |
| **Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]** | | | | $ 183,450,000.00 | 0.00 | 0.00 | 0.00 | $ 183,450,000.00 |
| | | | | **Enter amounts from TOTAL row above in Schedule A2** | | | | |
| **Total Qualified Investment (sum of green cells)** | | | | **$ 183,450,000.00** | | | | |

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 7/29/2019
Applicant Name Cane FlatsSolar Project, LLC
ISD Name Carrizo Springs CISD

**Form 50-296A**
*Revised May 2014*

**PROPERTY INVESTMENT AMOUNTS**

**(Estimated Investment in each year. Do not put cumulative totals.)**

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A<br>New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property | Column B<br>New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property | Column C<br>Other investment made during this year that will not become Qualified Property [SEE NOTE] | Column D<br>Other investment made during this year that will become Qualified Property {SEE NOTE] | Column E<br>**Total Investment** (A+B+C+D) |
|---|---|---|---|---|---|---|---|---|
| Total Investment from Schedule A1* | -- | **TOTALS FROM SCHEDULE A1** | | **Enter amounts from TOTAL row in Schedule A1 in the row below** | | | | |
| | | | | $ 183,200,000.00 | $ 250,000.00 | 0.00 | 0.00 | $ 183,450,000.00 |
| Qualifying Time Period | 1 | 2021-2022 | 2021 | 0.00 | 0.00 | 0.00 | 0.00 | $ - |
| | 2 | 2022-2023 | 2022 | $ 183,200,000.00 | $ 250,000.00 | 0.00 | 0.00 | $ 183,450,000.00 |
| Value limitation period*** | 1 | 2023-2024 | 2023 | $ - | $ - | $ - | $ - | $ - |
| | 2 | 2024-2025 | 2024 | $ - | $ - | $ - | $ - | $ - |
| | 3 | 2025-2026 | 2025 | $ - | $ - | $ - | $ - | $ - |
| | 4 | 2026-2027 | 2026 | $ - | $ - | $ - | $ - | $ - |
| | 5 | 2027-2028 | 2027 | $ - | $ - | $ - | $ - | $ - |
| | 6 | 2028-2029 | 2028 | $ - | $ - | $ - | $ - | $ - |
| | 7 | 2029-2030 | 2029 | $ - | $ - | $ - | $ - | $ - |
| | 8 | 2030-2031 | 2030 | $ - | $ - | $ - | $ - | $ - |
| | 9 | 2031-2032 | 2031 | $ - | $ - | $ - | $ - | $ - |
| | 10 | 2032-2033 | 2032 | $ - | $ - | $ - | $ - | $ - |
| **Total Investment made through limitation** | | | | $ 183,200,000.00 | $ 250,000.00 | 0.00 | 0.00 | $ 183,450,000.00 |
| Continue to maintain viable presence | 11 | 2033-2034 | 2033 | | | $ - | | $ - |
| | 12 | 2034-2035 | 2034 | | | $ - | | $ - |
| | 13 | 2035-2036 | 2035 | | | $ - | | $ - |
| | 14 | 2036-2037 | 2036 | | | $ - | | $ - |
| | 15 | 2037-2038 | 2037 | | | $ - | | $ - |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2038-2039 | 2038 | | | $ - | | $ - |
| | 17 | 2039-2040 | 2039 | | | $ - | | $ - |
| | 18 | 2040-2041 | 2040 | | | $ - | | $ - |
| | 19 | 2041-2042 | 2041 | | | $ - | | $ - |
| | 20 | 2042-2043 | 2042 | | | $ - | | $ - |
| | 21 | 2043-2044 | 2043 | | | $ - | | $ - |
| | 22 | 2044-2045 | 2044 | | | $ - | | $ - |
| | 23 | 2045-2046 | 2045 | | | $ - | | $ - |
| | 24 | 2046-2047 | 2046 | | | $ - | | $ - |
| | 25 | 2047-2048 | 2047 | | | $ - | | $ - |

* All investments made through the qualifying time

*** 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
Only tangible personal property that is specifically
Column B: The total dollar amount of planned investment
Column C: Dollar value of other investment that may affect
Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

Date 7/29/2019
Applicant Name Cane Flats Solar Project, LLC
ISD Name Carrizo Springs CISD

**Form 50-296A**
*Revised May 2014*

| | | | | Qualified Property | | | Estimated Taxable Value | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Year** | **School Year** (YYYY-YYYY) | **Tax Year** (Fill in actual tax year) YYYY | 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 |
| Qualifying Time Periods | 1 | 2021-2022 | 2021 | N/A | N/A | N/A | N/A | N/A | N/A |
| | 2 | 2022-2023 | 2022 | N/A | N/A | N/A | N/A | N/A | N/A |
| Value Limitation Period | 1 | 2023-2024 | 2023 | N/A | $ 250,000.00 | $ 183,200,000.00 | $ 183,450,000.00 | $ 183,450,000.00 | $ 30,000,000.00 |
| | 2 | 2024-2025 | 2024 | N/A | $ 230,000.00 | $ 168,544,000.00 | $ 168,774,000.00 | $ 168,774,000.00 | $ 30,000,000.00 |
| | 3 | 2025-2026 | 2025 | N/A | $ 210,000.00 | $ 153,888,000.00 | $ 154,098,000.00 | $ 154,098,000.00 | $ 30,000,000.00 |
| | 4 | 2026-2027 | 2026 | N/A | $ 190,000.00 | $ 139,232,000.00 | $ 139,422,000.00 | $ 139,422,000.00 | $ 30,000,000.00 |
| | 5 | 2027-2028 | 2027 | N/A | $ 170,000.00 | $ 124,576,000.00 | $ 124,746,000.00 | $ 124,746,000.00 | $ 30,000,000.00 |
| | 6 | 2028-2029 | 2028 | N/A | $ 150,000.00 | $ 109,920,000.00 | $ 110,070,000.00 | $ 110,070,000.00 | $ 30,000,000.00 |
| | 7 | 2029-2030 | 2029 | N/A | $ 130,000.00 | $ 95,264,000.00 | $ 95,394,000.00 | $ 95,394,000.00 | $ 30,000,000.00 |
| | 8 | 2030-2031 | 2030 | N/A | $ 110,000.00 | $ 80,608,000.00 | $ 80,718,000.00 | $ 80,718,000.00 | $ 30,000,000.00 |
| | 9 | 2031-2032 | 2031 | N/A | $ 90,000.00 | $ 65,952,000.00 | $ 66,042,000.00 | $ 66,042,000.00 | $ 30,000,000.00 |
| | 10 | 2032-2033 | 2032 | N/A | $ 70,000.00 | $ 51,296,000.00 | $ 51,366,000.00 | $ 51,366,000.00 | $ 30,000,000.00 |
| Continue to maintain viable presence | 11 | 2033-2034 | 2033 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 12 | 2034-2035 | 2034 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 13 | 2035-2036 | 2035 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 14 | 2036-2037 | 2036 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 15 | 2037-2038 | 2037 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2038-2039 | 2038 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 17 | 2039-2040 | 2039 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 18 | 2040-2041 | 2040 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 19 | 2041-2042 | 2041 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 20 | 2042-2043 | 2042 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 21 | 2043-2044 | 2043 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 22 | 2044-2045 | 2044 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 23 | 2045-2046 | 2045 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 24 | 2046-2047 | 2046 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |
| | 25 | 2047-2048 | 2047 | N/A | $ 50,000.00 | $ 36,640,000.00 | $ 36,690,000.00 | $ 36,690,000.00 | $ 36,690,000.00 |

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 7/22/2019
Applicant Name Cane Flats Solar Project, LLC
ISD Name Carrizo Springs CISD

**Form 50-296A**
*Revised May 2014*

| | | | | Construction | | Non-Qualifying Jobs | Qualifying Jobs | |
|---|---|---|---|---|---|---|---|---|
| | | | | **Column A** | **Column B** | **Column C** | **Column D** | **Column E** |
| | **Year** | **School Year** (YYYY-YYYY) | **Tax Year** (Actual tax year) YYYY | 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 |
| Qualifiying Time Periods | 1 | 2021-2022 | 2021 | N/A | N/A | N/A | N/A | N/A |
| | 2 | 2022-2023 | 2022 | 200 FTEs | $65,793 | 0 | 1 | $ 27,684.80 |
| Value Limitation Period *The qualifying time period could overlap the value limitation period.* | 1 | 2023-2024 | 2023 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 2 | 2024-2025 | 2024 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 3 | 2025-2026 | 2025 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 4 | 2026-2027 | 2026 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 5 | 2027-2028 | 2027 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 6 | 2028-2029 | 2028 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 7 | 2029-2030 | 2029 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 8 | 2030-2031 | 2030 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 9 | 2031-2032 | 2031 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| | 10 | 2032-2033 | 2032 | N/A | N/A | 0 | 1 | $ 27,684.80 |
| Years Following Value Limitation Period | 11 through 25 | 2033-2048 | 2033-2047 | N/A | N/A | 0 | 1 | $ 27,684.80 |

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

**C1a.** If yes, Will the applicant request a

**C1b.** Will the applicant avail

Yes ■ No □

Yes ■ No □

Yes □ No ■

## Schedule D: Other Incentives (Estimated)

Date 7/29/2019

Applicant Name Cane Flats Solar Project, LLC

ISD Name Carrizo Springs CISD

**Form 50-296A**

*Revised May 2014*

| State and Local Incentives for which the Applicant intends to apply (Estimated) | | | | | | |
|---|---|---|---|---|---|---|
| **Incentive Description** | **Taxing Entity (as applicable)** | **Beginning Year of Benefit** | **Duration of Benefit** | **Annual Tax Levy without Incentive** | **Annual Incentive** | **Annual Net Tax Levy** |
| Tax Code Chapter 311 | County: | | | | | |
| | City: | | | | | |
| | Other: | | | | | |
| Tax Code Chapter 312 | County: Dimmit County | 2023 | 10 Years | $ 570,162.60 | 85% | $ 85,524.39 |
| | City: N/A | | | | | |
| | Other: Dimmit County Hospital | 2023 | 10 Years | $ 128,415.00 | 85% | $ 19,262.25 |
| | Other: Wintergarden Water District | 2023 | 10 Years | $ 7,338.00 | 85% | $ 1,100.70 |
| Local Government Code Chapters 380/381 | County: | | | | | |
| | City: | | | | | |
| | Other: | | | | | |
| Freeport Exemptions | | | | | | |
| Non-Annexation Agreements | | | | | | |
| Enterprise Zone/Project | | | | | | |
| Economic Development Corporation | | | | | | |
| Texas Enterprise Fund | | | | | | |
| Employee Recruitment | | | | | | |
| Skills Development Fund | | | | | | |
| Training Facility Space and Equipment | | | | | | |
| Infrastructure Incentives | | | | | | |
| Permitting Assistance | | | | | | |
| Other: | | | | | | |
| Other: | | | | | | |
| Other: | | | | | | |
| Other: | | | | | | |
| | | | **TOTAL** | $ 698,577.60 | 85% | $ 104,786.64 |

Additional information on incentives for this project: The amounts provided above are only estimates. Chapter 312s with Dimmit County, Dimmit County Hospital and Wintergarden Water Dist. are currently under negotiation.

**Tab 15**

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

Not applicable.

**Tab 16**

***Description of Reinvestment or Enterprise Zone, including:***

***a. Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office***
***b. Legal description of Investment zone***
***c. Order, resolution or ordinance establishing the reinvestment zone***
***d. Guidelines and criteria for creating the zone***

**Tab 16a**

***a. Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office***

Not applicable.

**Tab 16b**

***b. Legal description of Project Area within Investment Zone.***

Please see attached.

**Cane Flats Solar Project, LLC REINVESTMENT ZONE**

Parcel No. 1:

BEING a 22.027 acre tract of land out of and being a part of 188.973 acres, more or less, in D.W. Light Subdivision in Dimmit County, Texas and being that certain tract described in a Deed from W.L. Quinney to Theta Holdings, Inc., dated September 20, 2002, said 22.027 acres being more particularly described by metes and bounds as follows:

FIELD NOTES FOR A 22.027 ACRE TRACT IN THE D.W. LIGHT SUBDIVISION IN DIMMIT COUNTY, TEXAS.

BEING a 22.027 acre tract or parcel out of and being a part of lot No. 49 of the D.W. Light Subdivision in Dimmit County, Texas, according to the map or plat of said subdivision as recorded in Volume 1, Page 3, Dimmit County Plat Records and being a part of that certain 188.973 acre tract in said subdivision described in a deed from W.L. Quinney, Jr., et al, to Theta Holdings, Inc., dated September 20, 2002, recorded in Volume 287, Page 111, Dimmit County Deed Records. Herein described tract or parcel of land being more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at a ½ inch iron rod found at a fence corner at the intersection of the southeast line of said Lot No. 49 and northwest line of Lot No. 50, with the northeast line of Farm to Market Road No. 1917, the west corner of that certain 42.59 acre tract described in a deed from W.L. Quinney, Jr., et ux, to the City of Carrizo Springs, recorded in Volume 256, Page 488, Dimmit County Deed Records, the south corner of the said 188.973 acre tract.

THENCE with the northeast line of Farm to Market Road No. 1917 and southwest line of the said 188.973 acre tract, N 36 deg. 18 min. 27 sec. W, 1050.92 feet to a 5/8 inch iron rod set where same intersects the northwest line of Lot No. 49 and southeast line of Lot No. 47, for the POINT OF BEGINNING, the south corner of this tract.

THENCE continuing with the northeast line of Farm to Market Road No. 1917 and southwest line of the 188.973 acre tract, N 36 deg. 18 min. 27 sec. W, 576.59 feet to a 5/8 inch iron rod set for the west corner of this tract.

THENCE N 54 deg. 24 min. 36 sec. E, 1667.58 feet to a 5/8 inch iron rod set in the lower northeast line of the 188.973 acre tract and northeast line of Lot No. 48, for the north corner of this tract.

THENCE with the northeast line of Lot No. 48 and the lower northeast line of the said 188.973 acre tract, S 35 deg. 38 min. 05 sec. E, 576.54 feet to a 5/8 inch iron rod found at a fence corner in the northwest line of Lot No. 36, the east corner of Lot No. 48, an interior corner of the said 188.973 acre tract, for the east corner of this tract.

THENCE crossing said 188.973 acre tract, with the southeast line of Lots No.,48 and 47, the northwest line of Lots No. 36 and 49, S 54 deg. 24 min. 36 sec. W, 1660.81 feet to the POINT OF BEGINNING, containing 22.027 acres of land .

Parcel No. 2

26 ACRES, MORE OR LESS, AS DEPICTED ON EXHIBIT A-1 AND LYING WITHIN THE FOLLOWING DESCRIBED REAL PROPERTY:

Being a 31.578 acre tract or parcel out of and being a part of Lot No. 49 of the D.W. Light Subdivision in Dimmit County, Texas according to the map or plat of said subdivision as recorded in Volume 1, page 3, Dimmit County Plat Records and being a part of that certain 188.973 acre tract in said subdivision described in a deed from W.L. Quinney, Jr., et al to Theta Holdings, Inc., dated September 20, 2002, recorded in Volume 287, page 111, Deed Records, Dimmit County, Texas. Herein described in the tract or parcel of land being more particularly described by metes and bounds as follows:

BEGINNING at a ½ inch iron rod found at a fence corner at the intersection of the southeast line of said Lot 49 and northwest line of Lot 50, with the northeast line of Farm to Market Road No. 1917, the west corner of that certain 42.59 acre tract described in a deed from W.L. Quinney, Jr., et ux to the City of Carrizo Springs, recorded in Volume 256, page 488, et seq., Deed Records, Dimmit County, Texas the South corner of the said 188.973 acre tract for the South corner of this tract;

THENCE with the Northeast line of Farm to Market Road No. 1917 and Southwest line of the said 188.973 acre tract North 36 degrees 18 minutes 27 seconds West, 1020.92 feet to a 5/8 inch iron rod set for the West corner of this tract;

THENCE North 54 degrees, 24 minutes, 36 seconds E, 1346.98 feet to a 5/8 inch iron rod set in a fence line, the occupied Northeast line of Lot 49 and Southwest line of Lot NO. 36 for the North corner of this tract;

THENCE with fence common line of Lot Nos. 36 and 49, South 35 degrees, 39 minutes, 15 seconds E, 1030.45 feet to a 5/8 inch iron rod found at the North corner of the before mention City of Carrizo Springs 42.59 acre tract and North corner of Lot 50, the East corner of Lot 49 and South corner of Lot 36, an angle corner of the 188.973 acre tract for the East corner of this tract;

THENCE with the Southeast line of Lot No. 49 and the said 188.973 acre tract the Northwest line of Lot No. 50 and the 42.59 acre tract South 54 degrees, 49 minutes, 20 seconds W, 1335.39 feet to the POINT OF BEGINNING, containing 31.578 acres of land.

Parcel No. 3

TWO HUNDRED SEVENTY (270) ACRES, MORE OR LESS, AS GENERALY DEPICTED ON EXHIBIT A-1 AND LYING WITHIN THE FOLLOWING DESCRIBED REAL PROPERTY

Being 338.89 acres of land lying wholly within Survey No. 1, Trinidad Sanchez, Original Grantee, Abstract 665, Dimmit County, Texas, all of the fee title land lying outside the D. W. Light Subdivision in said Survey No. 1 as conveyed by Partition Deed to Belle Eardley and recorded in Volume 111, pages 233 et seq., of the Deed Records of Dimmit County, Texas, and more

particularly described by metes and bounds as follows (the bearings shown are geodetic based on North meridian observed at 3/4-inch steel stake atop hill in W part of said Survey lying West 10145.91 feet and south 1666.46 feet from this Point of Beginning, and declinate West 0° 25' 34" from published 1927 Datum Texas South Central Zone Grid bearing at First Order U. S. Coast & Geodetic Survey Triangulation Station "CARRIZO 1972" atop hill at Texas State Highway 85 lying East 4633.16 feet and North 15232.36 feet from this Point of Beginning, which is at Grid Coordinates: X=1727704.59; Y=240247.35):

Beginning at the 100d plastic-capped iron spike found down 2 inches by steel tee post in road track marking the SE and eastmost corner of that certain adjacent and adjoining 215 acres described in Warranty Deed from Florence Gilson Law to Arthur F. Hansl on 13 December 1910 and recorded in Volume 17, pages 402 et seq., of said Deed Records, in SW boundary of this described land and in original NW boundary of the D. w. Light Subdivision (1910 Plat of which is recorded in Cabinet One, Slide 3 of the Plat Records of Dimmit County, Texas), from which the 100d plastic- capped iron spike found flush marking the SW and southmost corner of said 215 acres bears S 51° 31' 33" W with Subdivision boundary along N side of road track 1437.48 feet:

THENCE N 35° 00' 00" W along and adjoining the marked NE boundary of said adjacent 215 acres, at 153.41 feet passing another 100d plastic-capped iron spike found flush by steel tee post marking this line, at 366.58 feet passing another, at 398.24 feet passing another l0Od plastic-capped iron spike found flush under encumbering electric transmission line which crosses and encumbers this described land, at 3000.07 feet passing another, at 4101.60 feet passing another, at 4724.94 passing another, at 5870.93 feet passing another, at 6130.25 feet passing another by steel tee post at high right bank of Carrizo Creek, and continuing now descending into creek a total of 6320.64 feet to its centerline, the northmost corner of said 215 acres in the S boundary of that certain adjacent and adjoining 24 acres described in Warranty Deed from Ruth McCaleb et al to Wilburn Eardley on 6 November 1978 and in Warranty Deed from George McMillan to Wilburn Eardley on 30 March 1983 and recorded in said Deed Records;

THENCE downstream along center of Carrizo Creek streambed and along and adjoining the boundary of said adjacent 24 acres as follows:

N 3° 33' 09" W 291.64 feet to anglepoint;

N 30° 17' 4911 W 482.17 feet to anglepoint;

N 40° 26 1 3411 W 287.53 feet to anglepoint;

And N 41° 151 11" W 90.10 feet to the 3/4-inch threadead steel stake found up inches marking its NE and northmost corner.

THENCE continuing downstream along center Carrizo Creek streambed as follows:

N 41° 11' 42" W 70.03 feet to point in existing fence across creek, from which the center of railroad tie fence post bears N 31° 49' 30" E 20.42 feet and center of 9-inch cedar 3-way fence corner post bears S 32° 38' 18" W 107.33 feet;

N 36° 09' 35" W 450.00 feet to anglepoint;

N 13° 22' 44" E 442.52 feet to anglepoint;

N 25° 06' 11" E 444.95 feet to anglepoint;

N 43° 43 1 18" E 117.71 feet to anglepoint;

N 35° 25' 22" E 281.06 feet to 3/4-inch steel stake found up 2 inches marking adjoining deed corner;

N 23° 55' 29" E 179.85 feet to anglepoint;

N 13° 09' 02" E 123.40 feet to anglepoint;

N 39° 40' 20" E 318.28 feet to the 3/4-inch steel stake found up 6 inches marking adjoining deed corner;

And N 37° 50' 03" E 6.76 feet to the northmost corner of this described land, in common boundary of Survey No. 1 and Survey No. 2, Antonio Balle, Original Grantee, Abstract 27, Dimmit County, Texas, from which the original Designation Point in said common boundary bears N 34° 58' 32" W, in part with fence, 1263.07 feet (whence the former location of its originally marked mesquite witness, now destroyed, bore N 7° 27" E 91.67 feet), and the 100d plastic-capped iron spike set flush in nearest right-of-way fence of U.S.. Highway 83 bears with said streambed N 37° 50' 03" E 242.51 feet and N 50° 12' 51" E 244.02 feet;

THENCE S 34° 58' 32" E, along and adjoining the original NE boundary of Survey No. 1, ascending out of creek streambed and channel, at 551.70 feet passing 4.50 feet left of 1/2-inch iron rebar found in fence, at 1621.92 feet passing 10.93 feet left of center of fencepost in E fence of old roadway, at 2573.80 feet passing right-of-way fence of Texas F. M. Road 1917 at a point lying 22.14 feet left of center of 5-inch cedar 3-way fence corner post, continuing now into and across said right-of-way at 2651.15 feet passing 46.50 feet left of center of gatepost in encumbering SW R.O.W. of highway, at 3463.53 feet passing 7.49 feet left of 60d nail in centerline of highway, at 6250.21 feet passing 4.54 feet left of anglepost in encumbering SW R.O.W. fence, at 8349.12 feet passing 2.05 feet left of center of 3 1/2- inch steel pipe anglepost in said R.O.W. fence, and continuing a total of 8730.78 feet to the SE and eastmost corner of this described land and an original interior corner of said D. w. Light Subdivision, in highway pavement, from which the SE and eastmost corner of said Survey No. 1 bears S 34° 58' 32" E across NE right-of-way of highway 595.50 feet (passing marked NE R.O.W. at 139.89 feet);

THENCE S 51° 31' 30" W, into Survey No. 1 along and adjoining said NW boundary of D. W. Light Subdivision, at 1.33 feet passing 100d iron spike found flush in pavement marking this line, at 57.35 feet passing 100d plastic-capped iron spike found flush in encumbering SW R.O.W. fence of highway, at 611.55 feet passing another plastic-capped iron spike found flush in rock mound by steel tee post marking this line, and continuing along N side of road tract a total of 1793.68 feet to the Point of Beginning, constituting 338.89 acres of land within the described boundary, encumbered by said electric transmission line and by 4.19 acres within said F. M. Road 1917 right-of-way fence.

AND

Being 22.44 acres of land lying wholly within survey No. 1, Trinidad Sanchez, Original Grantee, Abstract 665, Dimmit County, Texas, all of the fee title land in said survey conveyed by Partition Deed to Belle Eardley and recorded in Volume 111, pages 233 et seq., of the Deed Records of Dimmit County, Texas, and lying within the D. w. Light Subdivision (1910 plat of which is recorded in Cabinet One, Slide J, of the Plat Records of Dimmit County, Texas), and more particularly described by metes and bounds as follows (the bearings shown are geodetic based on North meridian observed at 3/4-inch steel stake atop hill in W part of said survey lying West 10145.91 feet and South 1666.46 feet from this Point of Beginning, and declinate West 0° 25' 34" from published 1927 Datum Texas south Central Zone Grid bearing at First Order U.S. Coast & Geodetic Survey Triangulation station "CARRIZO 1972" atop hill at Texas State Highway 85 lying East 4633.16 feet and North 15232.36 feet from this Point of Beginning, which is at Grid coordinates: X=1727704.59; Y=240247.35):

Beginning at the 100d plastic-capped iron spike found down 2 inches by steel tee post in road track marking the SE and eastmost corner of that certain 215 acres described in Warranty Deed from Florence Gilson Law to Arthur F. Hansl on 13 December 1910 and recorded in Volume 17, pages 402 et seq., of said Deed Records, from which the l00d plastic-capped iron spike found flush marking the SW and southmost corner of said 215 acres bears S 51° 31' 33" W with boundary of said D. W. Light Subdivision 1437.48 feet, and another l00d plastic-capped iron spike found flush by steel tee post marking NE boundary of said 215 acres bears N 35° 00' 00" W 153.41 feet:

THENCE N 51° 31' 30" E, along the N side of road track and adjoining the marked NW boundary of said D. W. Light subdivision, at 1182.13 feet passing another 100d plastic-capped iron spike found flush in rock mound marking this line, at 1736.33 feet passing another found flush under encumbering SW right-of-way fence of Texas F. M. Road 1917, continuing now into said highway at 1792.35 feet passing 100d iron spike found in pavement marking this line, and continuing a total of 1793. 68 feet to the NE boundary of survey No. 1 and a corner of said Subdivision, the NE and northmost corner of this described land, from which the original Designation Point of Survey No. 1 boundary bears N 34° 58' 32" W 9993.85 feet (whence the former location of its marked mesquite witness, now destroyed, bore N 7° 27' E 91.67 feet);

THENCE along and adjoining the boundary of Survey No. 1 as follows:

S 34° 58' 32" E, at 139.89 feet passing marked NE right-of- way of highway, from which the 4-inch cedar anglepost bears N 18° 49' 40" W 6. 00 feet and the steel tee anglepost bears S 18° 49' 40" E 92.61 feet, and continuing now a total of 595.50 feet to its SE and eastmost corner, from which the 1-inch iron pipe found by 3-way fence corner post marking the SE and eastmost corner of the adjacent and adjoining Survey No. 14, Samuel Kellogg, original Grantee, Abstract 1017, Dimmit County, Texas, being also the SE and eastmost corner of said D. W. Light Subdivision, bears S 34° 58' 32" E 1494.18 feet and N 55° 01' 28" E 3963.20 feet;

THENCE S 54° 41' 02" W, along and adjoining the common boundary of Survey Nos. 1 and 14, at 17.69 feet passing 0.21 feet right of 1-inch galvanized iron pipe found up 2 inches (bent S) and

marked "E MOST SANCHEZ", at 58.31 feet passing NE right-of-way fence of said encumbering highway, at 128.38 feet passing 100d plastic-capped iron spike found flush in encumbering SW R.O.W. fence of highway, now passing under encumbering electric distribution line, at 531.43 feet passing another by steel tee post, at 1478.03 feet passing another 100d plastic-capped iron spike by E side of road track, and continuing a total of 1790.14 feet to the 100d plastic-capped iron spike found flush by steel tee post marking the SW and southmost corner of this described land, from which the 100d plastic-capped iron spike found under W boundary fence of said D. W. Light Subdivision bears S 54° 41' 02" W 3809.55 feet (passing westmost corner of Survey No. 14 at 1719.90 feet);

THENCE N 35° 00' 00" W again into Survey No. 1 and passing under said encumbering electric distribution line, 496.66 feet to the Point of Beginning, constituting 22.44 acres of land within the described boundary, encumbered by said electric distribution line and by said F. M. Road 1917 right-of-way fences.

Parcel No. 4

Being Lots No. 53, 54, 57, 58, 61, 62, 65, 66, 69, 70, 73, 74, and 77, out of the D. W. Light Subdivision, Abstract 1226, Survey No. 21, near Carrizo Springs, Dimmit County, Texas, according to the map or plat thereof recorded in Volume 1, Page 3, Plat Records of Dimmit County, Texas.

Parcel No. 5

A 246.11 Acre Tract of land being situated about 3 miles S 20° *E* of Carrizo Springs in Dimmit County, Texas, being out of Survey No. 21, Abstract No. 1226, Mrs. Angelina A. Polly, original grantees, and being all of Lots 591, 63, *67,* 71, 75, 78, 80, 64, 68, 72, *76* and a part of Tract 55 of the D.W. Light Subdivision according to the plat thereof recorded in Volume 1, Page 3 of the Plat Records of Dimmit County, Texas, Tract 80 conveyed from Walter William, et ux to Seth M Woods by deed dated March 27, 1961 and recorded in Volume 120, Page 115 of the Deed Records of Dimmit County, Tract Nos. 55, 59, 63 and 67 conveyed from Walter Williams, et ux to Seth M. Woods by deed dated November 22, 1961 and recorded in Volume 121, Page 305 of said deed records, Tracts 64, 68, 72, and 76 conveyed as Tract Two and Tracts No. 71, 75 and 78 conveyed as Tract One from Walter Williams, et us to Seth M. Woods by deed dated January 16, 1961 and recorded in Volume 119, Page 520 of said deed records, and being more particularly described as follows:

Beginning: At a 5/8" iron pin set in the Southwest line of F. M. Highway 1917 (70 feet wide, Volume 74, Page 152 and 155, Volume 106, Page 484 Deed Records) for North corner of a 36.64 Acre Tract this day surveyed and for the upper East corner of this tract form which a 5/8” iron pin set for an angle point of said highway bears S 35° 58’ 47” E 315.58 from which a 5/8” iron pin set for the East corner of Tract 56 bears S 41 ° 00’ 13” E 570.96 feet;

Thence: S 55° 36’ 48” 1349.57 feet with the Northwest lines of Tract Nos. 56 & 60 to a 5/8” iron pin set for the West corner of Tract 60 and of said 36.34 acre Tract and an interior corner of this tract;

Thence: S 35° 56’ 57” E 1242.40 feet to a 5/8 “ iron pin set for the South corner of Tract 60 and of said 36.34 Acre Tract and the lower East corner of their tract;

Thence: S 56° 03’ 26” W 2761.16 feet with fence and the Southeast line of Tract 64, 68, 72 and 76 and the North Line of a county road, at 129.95 feet pass a 6” pipe post, at 1502.95 feet pass a 5” creosote post, continuing to a 5/8” iron pin set for the East corner of Tract 79 and the South corner of Tract 76 and of this tract;

Thence: N 35° 53’ 12” W 1220.97 feet with fence, at 9.47 feet pass a 1 1/2” iron pipe found by a 10” creosote post, continuing to a 5/8” iron pin set for the North corner of Tract 79 and the West corner of Tract 76 from which a 5” cedar corner post bears N 35° 53’ 12” W 86.52 feet;

Thence: S 55° 36’ 48” W 1391.73 feet with the Northwest line of Tract 79 and 81 and the Southeast line of Tract 78 and 80 to a 5/8” iron pin set for the West corner of Tract 81 and the South corner of Tract 80 and an exterior corner of this tract;

Thence: N 35° 28’ 23” W 1309.39 feet with fence and the Northeast line of a 324 Acre tract (Volume 283, Page 810, Deed Records), at 55.86 feet pass an 8” creosote post, continuing with fence to a railroad tie post found for the South corner of Tract 77 and the West corner of Tract 80 and of this tract;

Thence: N 55° 07’ 19” E 5487.78 feet in general with fence and the Southeast line of Tract 77, 74, 70, 66, 62, 58 and 54 and the Northwest line of Tract 80, 78, 75, 71, 67, 63, 59 and 55 to a 5/8” iron pin set for the North corner of this Tract;

Thence: S 35° 58’ 47” E 1356.75 feet with fence and the Southeast line of said highway to the POINT OF BEGINNING.

AND

A 36.34 Acre Tract of land being situated about 3.4 miles S 20° E of Carrizo Springs in Dimmit County, Texas, being out of Survey. No. 21, Abstract. No. 1226, Mrs. Angelina A. Polly, original grantee, and being out of Tracts 56, and 60 of the D.W. Light Subdivision according to the plat thereof recorded in Volume 1, Page 3 of the Plat Records of Dimmit County, Texas, Tract Nos. 56 and 60 conveyed from Wilburn Eardley to Virginia Lee Woods by deed dated October 26, 1974 and recorded in Volume 163, Page 317 of the Deed Records of Dimmit County, Texas and being more particularly described ae follows:

Beginning: At a 5/8" iron pin set in the Southwest line of F. M. Highway 1917 (70 feet wide, Volume 74, Page 152 and 155, Volume 106, Page 484 Deed Records) for an angle point of this tract from which a 5/8” iron pin set for the East corner of Tract 56 beard S 41° 00’ 13” E 570.96 feet;

Thence: With fence, the Northwest line or said highway as follows: along a curve to the right, having a radius of 516.16 feet, an arc: of 828.89 feet, a central angle of 92° 00’ 17” and a· chord bearing S10° 01’ 25” W 742.65 feet to a 5/8” iron pin set for an angle point of this tract : S 54° 30’ 29” W 256.99 feet to a 5/8” iron pin set for an angle point of this tract; along a curve to the left, having a radius of 609. 51 feet, a. central angle of 16° 29’ 32", an arc of 175.44 feet and a chord bearings S 47° 46' 58" W 174.84 feet to a 5/8” iron pin set for an angle point of this tract;

Thence: S 55° 03' 26" W 369.91 feet with fence and the Southeast line of Tract 60 to a 5/8" iron pin set for the lower East corner of a 246.11 Acre Tract this day surveyed and the South corner of this tract;

Thence: N 35° 56' 57" W 1242.40 feet to a 5/8" iron pin set for an interior corner of: said 246 .11 Acre Tract and the West corner of Tract 60 and of this tract;

Thence: N 55° 36' 48" E 1349.57 feet with the Northwest line of Tract Nos. 60 & 56 to a 5/8" iron pin set for the upper East corner of said 246.11 Acre Tract and the North corner of this tract;

Thence: With fence and the Southwest line of said highway as follows: S 35° 58’ 47” E 315.58 feet to a 5/8" iron pin set for an angle point of this tract; S 33° 39’ 24” E 370.09 feet to the POINT OF BEGINNING.

Parcel No. 6

324.0 acres of land, more or less, a part of the Angelina A. Polley Survey #21, A-1226, Dimmit County, Texas, and being the same land described in Special Warranty Deed dated October 12, 2006, from Mary Oliphint Reynolds to The Reynolds Living Trust dated August 21, 2006, recorded in Volume 330, Page 298 of the Deed Records of Dimmit County, Texas.

AND

Being 671.72 acres of land, more or less, being all the E. Rhodes Survey Abstract 1532 containing 694.5 acres, SAVE AND EXCEPT 22.78 acres conveyed by Genevieve Rhodes Bowe, et al, to Lawrence Quinney, et ux, in Volume 232, Page 332, Deed Records of Dimmit County, Texas; and SAVE AND EXCEPT that portion of said Abstract 1532 conveyed by Douglas Ray 586, Page 716, Official Records of Dimmit County, Texas.

**Tab 16c**

***Order, resolution or ordinance establishing the reinvestment zone***

To be supplemented September 30, 2019 upon acceptance of Resolution by Dimmit County Commissioners Court.

**Tab 16d**

***Guidelines and criteria for creating the zone***

Please see attached.

**ORDER NO. 0924-18**

**AN ORDER OF THE COMMISSIONERS COURT OF DIMMIT COUNTY, TEXAS: (1) ADOPTING AND APPROVING COUNTY TAX ABATEMENT GUIDELINES AND CRITERIA; (2) APPROVING COUNTY ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT; AND (3) ESTABLISHING AN EFFECTIVE DATE AND COMPLIANCE WITH THE TEXAS OPEN MEETING ACT.**

**WHEREAS**, Dimmit County, Texas ("County") is a county of the State of Texas, having been duly created and organized under the constitution and laws of Texas, and further, the Dimmit County Commissioners Court ("Commissioners Court") is the governing body of the County; and

**WHEREAS**, pursuant to Article V, Section 18 of the Texas Constitution, Chapter 381 of the Texas Local Government Code ("Chapter 381"), and Chapter 312 of the Texas Tax Code ("Chapter 312"), and other authority, the County may participate in tax abatement agreement as part of an economic development program designed to stimulate economic development and business and commercial activity in Dimmit County, Texas; and

**WHEREAS**, pursuant to Chapters 381 and 312 and the exercise of its lawful authority, discretion, and best business judgment, the Commissioners Court desires by this order to (1) adopt and approve Tax Abatement Guidelines and Criteria for Dimmit County, Texas, in the form and scope attached as **Exhibit A**, in order to stimulate economic development and business and commercial activity in said county, and (2) approve County eligibility to participate in tax abatement as allowed by law.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Commissioners Court of Dimmit County, Texas, for and in behalf of said County and in the public interest, as follows:

(1) Unless otherwise designated, the past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall each include the other where necessary for a correct meaning.

(2) All statements made in the caption and preliminary recitals of this instrument, and all attached documents, are incorporated by reference.

(3) The Commissioners Court hereby establishes, adopts, and approves the **Tax Abatement Guidelines and Criteria for Dimmit County, Texas ("Guidelines")**, in the form and scope attached as **Exhibit A**, in order to stimulate economic development and business and commercial activity in Dimmit County, Texas.

(4) All prior enacted County tax abatement guidelines and criteria are hereby rescinded and replaced by the Guidelines attached as **Exhibit A**.

(5) Pursuant to the authority described in this order, the Commissioners Court: (a) elects for Dimmit County to become eligible to participate in tax abatement; and (b) declares Dimmit County's intent to participate in tax abatement agreements, from time to time, through the exercise of the lawful authority, discretion, and best business judgment of the Commissioners Court in order to stimulate economic development and business and commercial activity in Dimmit County, Texas.

(6) This order shall take effect immediately from and after its passage.

(7) This matter was ordered, adopted, and approved at a meeting held in compliance with Chapter 551 of the Texas Government Code, the Texas Open Meetings Act.

**ORDERED, ADOPTED, AND APPROVED** on the 24th day of September, 2018.

**THE COMMISSIONERS COURT OF DIMMIT COUNTY, TEXAS**

County Judge
Dimmit County, Texas

County Commissioner, Precinct 1
Dimmit County, Texas

County Commissioner, Precinct 2
Dimmit County, Texas

County Commissioner, Precincts 3, 6
Dimmit County, Texas

**ABSENT**

County Commissioner, Precincts 4, 5, 7
Dimmit County, Texas

**ATTEST:**

County Clerk
Dimmit County, Texas

**COMMISSIONERS COURT**
**COUNTY OF DIMMIT, TEXAS**

**EXHIBIT A**

**(Tax Abatement Guidelines and Criteria for Dimmit County, Texas)**

# TAX ABATEMENT GUIDELINES AND CRITERIA FOR DIMMIT COUNTY, TEXAS
**(Effective Date: September 24, 2018)**

## I. Preliminary Recitals

1.1. Dimmit County, Texas (**"County"**), by and through its governing body, the Commissioners Court of Dimmit County, Texas (**"Commissioners Court"**), is committed to the promotion of the economic growth and development of Dimmit County, Texas and improving the quality of life for the public.

1.2. These **Tax Abatement Guidelines and Criteria for Dimmit County, Texas ("Guidelines")** are enacted and shall be implemented pursuant to Chapter 381 of the Texas Local Government Code, Chapter 312 of the Texas Tax Code, and other authority to establish a uniform policy of tax abatement designed to provide long term, significant, and positive economic growth for the County in the public interest.

1.3. Pursuant to its lawful authority, discretion, and best business judgment, the Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with governmental or private entities in Texas and elsewhere for positive economic growth for Dimmit County, Texas.

1.4. The Commissioners Court may grant a tax abatement on the same or similar terms and conditions as the other taxing entities having jurisdiction regarding a subject property or business prospect; however, nothing in these Guidelines shall limit the discretion of the Commissioners Court to consider, adopt, modify, or decline any tax abatement request.

1.5. The Effective Date of these Guidelines is September 24, 2018. The Guidelines shall be reviewed in a timely manner pursuant to the operative statutes and shall be kept current pursuant to the County's economic development needs and the lawful authority, discretion, and best business judgment of the Commissioners Court.

1.6. All prior enacted County tax abatement guidelines and criteria are hereby rescinded and replaced by these Guidelines.

## II. Definitions and Interpretation

2.1. **Definitions** -- As used in these Guidelines, unless otherwise designated, the following terms shall have the following meanings:

> (a) **"Abatement"** shall mean the full or partial abatement from ad valorem taxation (based on an agreed diminution of appraised value) of certain property located in a County tax abatement reinvestment zone or enterprise zone for authorized economic development purposes.

(b) **"Affected Jurisdiction"** shall mean Dimmit County, Texas or any municipality, school district, or other taxing entity located in said county that levies ad valorem taxes upon or provides services to property located within a proposed or existing County tax abatement reinvestment zone or enterprise zone.

(c) **"Agreement"** shall mean a tax abatement and economic development agreement approved and executed between the County and a property owner or lessee of Eligible Property located in a Zone.

(d) **"Applicant"** shall mean the person or legal entity seeking the creation of a County: (i) tax abatement reinvestment zone; (ii) enterprise zone; and/or (iii) tax abatement and economic development agreement.

(e) **"Application"** shall mean the documents filed by an Applicant for the creation of a County: (i) tax abatement reinvestment zone; (ii) enterprise zone; and/or (ii) tax abatement and economic development agreement.

(f) **"Chapter 312"** shall mean Chapter 312 of the Texas Tax Code, as amended.

(g) **"Chapter 381"** shall mean Chapter 381 of the Texas Local Government Code, as amended.

(h) **"Commencement of Construction"** shall mean the placement or initial construction of Project improvements in a County tax abatement reinvestment zone or enterprise zone, however: (i) the storage of building materials in the zone shall not constitute commencement of construction; and (ii) design, engineering, site preparation, and similar activities shall not constitute commencement of construction, provided the placement or initial construction of Project improvements has not begun in the zone.

(i) **"County"** shall mean Dimmit County, Texas, by and through its governing body, the Commissioners Court of Dimmit County, Texas **("Commissioners Court" or "Court")**.

(j) **"County Judge"** shall mean the County Judge of Dimmit County, Texas.

(k) **"District"** shall mean the Dimmit Central Appraisal District, including but not limited to its Board of Directors, Chief Appraiser **("Chief Appraiser")**, officers, employees, and other representatives of the District.

(l) **"Economic Development Program" or "Program"** shall mean an economic development program approved and adopted by the County pursuant to Chapter 381 and designed to stimulate economic development and business and commercial activity in Dimmit County, Texas.

(m) **"Effective Date"** shall mean September 24, 2018, the date these Guidelines were approved and adopted by the Commissioners Court.

(n) **"Eligible Property"** shall mean property eligible for tax abatement pursuant to these Guidelines, as more particularly described in Paragraph 3.5.

(o) **"Facility"** shall mean Project improvements (including structures) completed or in the process of construction on the tax abatement reinvestment zone property, which together comprise an integral whole.

(p) **"Guidelines"** shall mean these Tax Abatement Guidelines and Criteria for Dimmit County, Texas.

(q) **"Ineligible Property"** shall mean property ineligible for tax abatement pursuant to these Guidelines, as more particularly described in Paragraph 3.6.

(r) **"Modernization"** shall mean the expansion, upgrading, or replacement of existing facilities which increases productive input or output, updates technology, or substantially lowers unit cost of the project's operation. Modernization may result from the construction, alteration, or installation of buildings, structures, or fixed machinery or equipment; however, modernization shall not include the reconditioning, refurbishing or repairing of real or personal property.

(s) **"New Jobs"** shall mean a newly created employment position on a full-time, permanent basis. Two or more part-time permanent employees totaling an average of not less than 40 hours per week may be considered as one full-time permanent employee under these Guidelines.

(t) **"Project"** shall mean an authorized economic development project (including all facilities related thereto) conducted in Dimmit County, Texas by a governmental entity or private party: (i) pursuant to Chapters 312, 381, or other authority; (ii) pursuant to an Economic Development Program approved and adopted by the County; and/or (iii) on real property located or to be located in a Zone in Dimmit County, Texas.

(u) **"Recipient"** shall mean the person or business entity receiving tax abatement in an Agreement.

(v) **"Zone"** shall mean a County tax abatement reinvestment zone or enterprise zone comprised of a contiguous land area located in Dimmit County, Texas and authorized by Chapter 312, 381, or other applicable authority (including Chapter 2303 of the Texas Government Code regarding an enterprise zone).

2.2. **Interpretation** -- The past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall include each other where necessary for a correct meaning in these Guidelines. The preliminary recitals of this instrument are incorporated by reference.

## III. Minimum Standards

3.1. **Taxable Value** -- In order for real property in Dimmit County, Texas to be designated as a County tax abatement reinvestment zone or enterprise zone, and for an Applicant to receive a County tax abatement for its proposed Eligible Property in the Zone for its Project, that proposed Eligible Property for the Applicant Project in the Zone must add at least $10,000,000.00 in taxable value (in aggregate) to the Dimmit County tax roll.

3.2. **Economic Development Factors** -- In considering a request for creation of a County tax abatement reinvestment zone and/or tax abatement, certain economic development factors shall be considered by the County regarding a proposed Project, including without limitation:

(a) **Jobs** -- including the: (i) number and type of existing jobs to be retained as a result of the Project; (ii) number and type of new jobs (whether temporary or permanent) to be created by the Project; (iii) average amount of local payroll to be created as a result of the Project; (iv) salary, wage structure, and/or benefits (including health care and pension benefits) associated with the new jobs; and (v) number and type of new jobs that will be performed by persons residing or projected to reside in Dimmit County, Texas for the Project;

(b) **Fiscal Impact** -- including the: (i) type, value, and productive life of existing and proposed Project improvements; (ii) amount of real and personal property value to be added to the local tax rolls as a result of the Project; (iii) payments to be made to the County regarding any proposed deferral year compensation, payments in lieu of taxes, or economic development grants or donations associated with the Project; (iv) the type, value, and productive life of all County-funded road, transportation, utility, or other infrastructure required a result of the Project; (v) amount by which property tax valuations may be increased by the Project, during and after the proposed tax abatement period; (vi) costs to be incurred by the County as a result of the consideration, negotiation, implementation, and administration of the Project, including attorney's fees; (vii) issue of whether Applicant shall reimburse the County for the expenses incurred

by the County in the negotiation, implementation, and/or administration of an Agreement; (viii) amount of taxes to be paid to the County and considering the existing value, percentage of new value abated, abatement period, and value after expiration of the abatement period; (ix) population growth projected for Dimmit County, Texas as a direct result of the Project; (x) type, value, and productive life of public improvements resulting from or needed for the Project; (xi) impact on the opportunities of existing businesses in said county as a result of the Project; and (xii) potential for new business activity to be attracted to said county as a result of the Project; and

(c) **Community Impact** – including the: (i) opportunities for Dimmit County, Texas business entities and persons to supply goods, services, and/or labor for the Project; (ii) revitalization of any economically depressed area in said county as a result of the Project; (iii) impact on other taxing entities in said county as a result of the Project; and (iv) employment opportunities associated with the Project.

3.3. **Applicant Eligibility** -- An Applicant shall be eligible to apply for tax abatement if: (a) a Zone already has been established regarding a Project, or a Zone is being requested in the Application for tax abatement regarding a Project; (b) Commencement of Construction for the Project has not yet occurred; and (c) the Project meets the requirements of these Guidelines.

3.4. **Creation of New Value** -- Tax abatement may be granted only for the additional value of Applicant's Eligible Property for its Project placed in the Zone after the Agreement is approved and executed, as specified in the Agreement between Applicant and the County.

3.5. **Eligible Property** -- Unless designated as Ineligible Property by these Guidelines, all taxable property identified by Chapter 312 as being eligible for county tax abatement may be considered by the County; however, nothing in these Guidelines shall limit the lawful authority, discretion, and best business judgment of the Commissioners Court to consider, adopt, grant, modify, or decline any request for tax abatement.

3.6. **Ineligible Property** -- The following property is Ineligible Property for tax abatement pursuant to these Guidelines, and Ineligible Property shall be fully taxable at all times: (a) land; (b) inventories; (c) supplies; (d) tools; (e) animals; (f) furnishings; (g) vehicles and vessels; (h) private aircraft; (i) deferred maintenance investments; (j) assets in the Zone owned by a lessor of the land in said zone; (k) property not located in said zone; (l) property located in said zone before the effective date of an Agreement; (m) property located in a Zone after the termination or expiration of an Agreement; (n) property located in a Zone and used by Applicant for an activity not for or related to the Project or the County's Program; (o) property located in a Zone and used by Applicant in violation of an Agreement or the County's Program; and (p) property designated by Chapter 312 of the Texas Tax Code or these Guidelines as ineligible for tax abatement.

3.7. **Leased Facilities** – Regarding a County Agreement, the County may grant tax abatement to the owner or lessor of tangible personal property situated on real property located in a Zone, but provided the Applicant: (a) is the active lessee of said real property; and (b) is the owner or lessor of said tangible personal property.

3.8. **Fully Taxable Property** – Regarding a County Agreement, the Applicant's Eligible Property and Ineligible Property in the Zone shall be assessed and taxed by the County according to its full appraised value without tax abatement for the periods occurring: (a) after the effective date of an Agreement, but prior to commencement of the abatement period specified in the Agreement; and (b) after the expiration of the abatement period specified in an Agreement, and/or the termination of the Agreement. Regarding a County Agreement, the Applicant's Ineligible Property in the Zone shall be assessed and taxed according to its full appraised value without tax abatement during the term of and after the Agreement.

## IV. Procedural Issues

4.1. **Application and Filing Fee Required** – Pursuant to the requirements of these Guidelines, the owner or lessee of taxable property located or to be located in a Zone as herein defined, as Applicant, may request the creation of a tax abatement reinvestment zone, enterprise zone, and/or tax abatement agreement by submitting a written application to the following public office: County Judge, Dimmit County, Texas, Dimmit County Courthouse, 212 North 4th Street, Carrizo Springs, Texas 78834. A non-refundable filing fee in the amount of $1,000.00 (submitted in the form of a cashier's check or money order made payable to the order of Dimmit County, Texas) shall be paid by Applicant when the Application is submitted to the County.

4.2. **Owner/Lessee Signature** -- A tax abatement agreement is not authorized to be executed by the County with any person or entity that is not the actual owner or lessee of the Eligible Property in the proposed Zone and/or Agreement, and further, the Application shall contain sufficient documentation to verify and confirm those facts to the County.

4.3. **Application for Zone** -- An application for the creation of a tax abatement reinvestment zone or enterprise zone at minimum shall contain the following matters and be signed by the owner or lessee of the subject property:

(a) documents sufficient to describe in detail the proposed Project in the Zone;

(b) a map or plat, property description, and site plan which adequately describe the boundaries of the contiguous land area of the Zone and Project;

(c) documents and/or facts sufficient to establish the eligibility of the Zone for residential tax abatement and/or commercial-industrial tax abatement;

(d) a description of the proposed increase in economic development to occur in Dimmit County, Texas through successful completion and implementation of the Project in the Zone, including but not limited to increased capital improvements and tax base, modernization of existing improvements, creation of new jobs, retention of existing jobs, employment opportunities for residents of said county, and participation opportunities for local suppliers and contractors;

(e) regarding a tax abatement reinvestment zone request, a description of the issues stated in Sections 312.202 and 312.402 of the Texas Tax Code to support Zone creation;

(f) a description of all tangible personal property improvements for which a tax abatement will be requested;

(g) a proposed time-line and construction schedule for completing and implementing Applicant's Project in the Zone.

(h) financial and Project information sufficient for the County to evaluate Applicant's financial capacity to successfully complete and implement the Project in the Zone;

(i) regarding a request for creation of an enterprise zone, all information required by Chapter 312 of the Texas Tax Code and Chapter 2303 of the Texas Government Code; and

(j) any other information or material considered necessary or advisable by Applicant to support the application, including any variance request sought by Applicant.

4.4. **Application for Agreement** -- An application for a tax abatement and economic development agreement at minimum shall contain the following matters, and the Application shall be signed by Applicant:

(a) all matters described in Paragraph 4.3;

(b) a map or plat, site plan, and detailed property description which sufficiently describe all land and other property to be made the subject of the Agreement, including a description of eligible Property for which a tax abatement is requested;

(c) in the case of a Modernization Project, a statement of the assessed value of the existing improvements, which shall be separately stated for real and personal property for the tax year immediately preceding the Application date;

(d) pursuant to an analysis of the designated economic development factors discussed in Paragraph 3.2, a description of the positive economic growth projected to occur in Dimmit County, Texas as a result of the completion and implementation of the Project;

(e) a description of the requested tax abatement period (described by beginning and ending dates), including any period requested to defer the beginning of the tax abatement period and all facts and documents to support the deferral period request;

(f) a description of the level or degree of tax abatement requested, and a description of all Eligible Property to be the subject of the requested abatement;

(g) a description of any monetary amounts, property, or services to be paid and/or or delivered to the County by Applicant as consideration or reimbursement for the Agreement, including: taxes; payment in lieu of taxes; deferral year payments; economic development grants or donations, including road/bridge damage repair and/or maintenance obligations; and reimbursement of costs (including attorney's fees) incurred by the County regarding creation of the Zone or the review, negotiation, approval, implementation, and maintenance of the Agreement; and

(h) any other information or material considered necessary or advisable by Applicant to support the application, including any variance request sought by Applicant.

4.5. **Commissioners Court Action** -- Using its lawful authority, discretion, and best business judgment, an Application may be granted in full, denied in full, granted in part, or denied in part by the Commissioners Court to the extent deemed appropriate to serve the public interest.

4.6. **Procedure** -- The creation of an enterprise zone and approval of any related tax abatement agreement shall be governed by the applicable provisions of these Guidelines and Chapters 551 and 2303 of the Texas Government Code. Chapter 312 of the Texas Tax Code, and Chapter 381 of the Texas Local Government Code. Regarding a tax abatement reinvestment zone and County approval of any related tax abatement agreement, the following procedures shall apply:

(a) Should Applicant request to locate the Project in an area of Dimmit County not then designated as an existing County Zone, the Commissioners Court may proceed to consider Applicant's tax abatement reinvestment zone request and shall set the matter for a public hearing as required by law. If the Zone is approved and created by the Commissioners Court, a tax abatement agreement request submitted by Applicant may be considered for approval by the Court pursuant to these

Guidelines and the notice and other requirements of Chapter 312 of the Texas Tax Code and Chapter 551 of the Texas Government Code.

(b) Should Applicant request to locate the Project in an area of Dimmit County designated as an existing, active tax abatement reinvestment zone, the Commissioners Court may proceed to consider for approval a proposed tax abatement agreement request submitted by Applicant pursuant to these Guidelines and the notice and other requirements of the aforesaid Chapters 312 and 551.

4.7. **Variance** -- A variance request regarding a Zone Application or Agreement Application shall be made in writing by the Applicant and submitted with the Application. The total duration of an abatement period in a County Agreement, however, shall not in any event exceed 10 years, as required by Chapter 312. A variance from the application of these Guidelines may only be granted: (a) by a recorded public vote of the Commissioners Court conducted in an authorized public meeting in compliance with Chapter 551 of the Texas Government Code; (b) pursuant to the lawful authority, discretion, and best business judgment of the Commissioners Court; and (c) if the variance does not violate Chapter 312 or other applicable state law or local regulation.

4.8. **Public Notice** -- The County shall give all public notice required by law regarding the proposed creation of a requested Zone or Agreement.

## V. Tax Abatement Agreement

5.1. **Approval and Execution** -- Once a tax abatement and economic development agreement is approved by the Commissioners Court in the manner required by law and these Guidelines, the Agreement shall be executed by the Applicant and the County (by and through the County Judge on behalf the Commissioners Court).

5.2. **Minimum Requirements** -- The County Agreement at minimum shall sufficiently describe the following matters:

(a) the abatement period, which shall be no longer than 10 years in duration as required by law;

(b) the total value of Eligible Property to be abated, and the percent or degree of value to be abated each year;

(c) the proposed use of the Eligible Property for the Project (in compliance with the County's Program), nature/type of construction, a time schedule for completing Project construction, sufficient mapping and property description for the Project, and list of all proposed Project facilities and improvements;

(d) the term of Agreement, abatement period, deferral period (if any), termination, contractual obligations and remedies of the parties (financial or otherwise) in the event of default (including recapture of delinquent taxes, interest, and costs, payment of monetary amounts owed to the County, and/or reimbursement of County expenses including attorney's fees), rules for assignment, and the requirements for implementation and administration of the Agreement;

(e) reasonable access to and inspection of Project land, property, improvements, facilities, and the business records of Applicant, by the County and the District to ensure compliance with the Agreement and controlling authority;

(f) the kind, number, and location of all proposed Project improvements and facilities to be located in the Zone;

(g) the limitation of the uses of the Applicant's Project property in the Zone consistent with the County's Program for the Zone and the County's general purpose of encouraging redevelopment of the Zone during the Agreement;

(h) a description of each term agreed by the parties to the Agreement;

(i) maps showing: (i) existing uses and conditions of real property in the Zone; and (ii) proposed improvements and uses in the Zone;

(j) provisions defining a material default, including when an Applicant performance requirement stated in the Agreement is not established or maintained by Applicant in compliance with the Agreement.

(k) provisions describing the County's remedies in the event Applicant commits a material default of the Agreement, including the rights of the County to recapture or recover: (i) lost or abated taxes, and associated penalties, interest, costs, and attorney's fees; (ii) all monetary amounts due the County under the Agreement; (iii) accrued attorney's fees, expert expenses, or other litigation or enforcement costs, and interest; and (iv) all other remedies allowed by law or equity.

(l) provisions describing mandatory venue for any suit regarding the Agreement in: (i) a court of competent jurisdiction located in Dimmit County, Texas; or (2) the appropriate United States District Court designated for said county;

(m) compliance with other applicable authority not previously mentioned in these Guidelines, including Chapters 2252, 2264, and 2270 of the Texas Government Code, and local regulations.

(n) a description of any monetary amounts, property, or services to be paid or delivered to the County by Applicant as consideration or reimbursement for the Agreement, including: (i) taxes; (ii) payment in lieu of taxes; (iii) deferral year payments; (iv) economic development grants or donations (including road/bridge damage repair and/or maintenance obligations); and (v) reimbursement of costs (including attorney's fees) incurred by the County regarding creation of the Zone or the review, negotiation, approval, implementation, and maintenance of the Agreement;

(o) notwithstanding anything to the contrary stated in the Agreement, provisions describing that: (i) the abatement period and all obligations for monetary amounts (including taxes) to be timely paid by the Applicant to the County shall not be deferred or extended for any reason, including a default cure period or the occurrence of an authorized Force Majeure event; (ii) a material default committed by the Applicant shall entitle the County to pursue and recover all remedies allowed by law and/or equity; and (iii) the obligation for monetary amounts to be paid by the Applicant to the County shall cease upon Agreement termination -- however, that all accrued monetary amounts due the County which were not timely paid by the Applicant to the County as of the termination date, and all monetary amounts due the County in the event a material default is committed by the Applicant, shall be subject to recovery by the County pursuant to all remedies allowed by law and/or equity; and

(p) all other matters required by Chapter 312 or these Guidelines for inclusion in the Agreement.

## VI. Administration

6.1. **Rules for Administration** -- The District (by and through its Chief Appraiser) annually shall determine a certified appraised value assessment, and tax abatement assessment, of all real and personal property in the Zone, pursuant to the following requirements and procedures:

(a) On May 1st of each year of an Agreement, the tax abatement recipient ("Recipient") in the Agreement shall certify to the following entities that it is in compliance with the Agreement: (i) the County; (ii) the District; and (iii) each Affected Jurisdiction with jurisdictional land area located in the Zone.

(b) The County and the District shall annually evaluate the Project and facility in the Zone receiving a County tax abatement under the Agreement to verify compliance by the Recipient with the Agreement. A formal report shall be made annually to the Commissioners Court by the County and District regarding the evaluation.

(c) Each year of the Agreement, the Recipient shall furnish the District with such information as may be necessary for the certified appraised value and abatement evaluation. Once those evaluations have been established, the Chief Appraiser shall notify the Commissioners Court and Recipient of those evaluations.

(d) The Zone, Recipient Eligible Property, and Recipient Ineligible Property will be appraised by the District at full market value for the purposes of property tax assessment for each year of the Agreement. This value may change during the term of the Agreement. The calculation of tax abatement and other components of the Agreement will make use of this appraised value determination, as determined for each tax year of the Agreement.

(e) The District annually shall determine on January 1st of each tax year of the Agreement the certified appraised value (excluding labor costs) of the: (i) land area of the Zone (with existing improvements, if any) at full value without tax abatement; (ii) tangible personal property in said Zone at full value without tax abatement; (iii) Recipient Eligible Property in said Zone at full value without tax abatement; and (iv) Recipient Ineligible Property in said Zone at full value without tax abatement; and (v) taxable value of the immediately preceding items (i) through (iv) pursuant to the terms of tax abatement described in the Agreement.

(f) The District will record in the District's record its determination of the aforesaid certified appraised value, and abated taxable value (pursuant to the abatement described in the Agreement). The Recipient may apply for all applicable tax exemptions authorized by law. The certified appraised value listed in the District records shall be used to compute the amount of abated taxes required to be recaptured and paid in the event of a termination or default of the Agreement.

6.2. **Property Render and Situs Obligations** -- During each year of the Agreement, the Recipient shall timely: (a) furnish the District with the information described in Chapter 22 of the Texas Tax Code, or other authority, as may be necessary or advisable for the proper administration the Agreement; and (b) render its Project improvements, Eligible Property, and Ineligible Property located in the Zone for ad valorem taxation in Dimmit County, Texas, said county to be designated in the Agreement as the situs for the appraisal, assessment, levy, and collection of taxes on said property by the County, and the payment of said taxes by the Recipient regarding said property, for the purposes of and pursuant to the Agreement.

6.3. **Confidential Information** -- All proprietary information acquired by the County from the Applicant or Recipient for purpose of review regarding a Zone Application, Agreement Application, or the monitoring of Agreement compliance, shall be considered confidential unless otherwise required by law, including Chapter 312 of the Texas Tax Code or Chapter 552 of the Texas Government Code.

## VII. Assignment

7.1. **No Assignment Without Consent** – An Agreement shall not be assigned, in whole or in part, without the written consent and approval of the County.

7.2. **County Discretion** -- The County's decision to approve or not approve, an assignment of the Agreement shall be based upon: (a) the exercise of the lawful authority, discretion, and best business judgment of the Commissioners Court; (b) the financial capacity of the proposed assignee; (c) a determination of whether Applicant or the proposed assignee allowed taxes owed to any Affected Jurisdiction in Dimmit County, Texas to become delinquent, and failed to timely and properly follow the lawful procedures for a tax protest; and (d) the interests of the public.

7.3. **Conditions** -- A permitted assignment of an Agreement shall: (a) require the assignee to irrevocably and unconditionally assume all duties and obligations of the assignor upon the same terms and conditions provided in the Agreement; (b) not exceed the termination date of the initial Agreement; and (c) not violate the provisions of any applicable statute or local regulation.

## VIII. Term and Revision of Guidelines

8.1 **Term** -- These Guidelines shall be effective and operable on the Effective Date. They shall remain in force for two (2) years from the Effective Date unless amended or revised by the Commissioners Court as allowed by law.

8.2 **Revision** -- Should the Commissioners Court consider the amendment or revision of these Guidelines, all existing Zones and Agreements shall be reviewed to determine whether the County's public policy goals have been substantially obtained. Based on that review, these Guidelines may be modified, renewed, eliminated, or discontinued, as allowed by law, provided that such actions shall not affect existing contracts.

**ORDERED, ADOPTED, AND APPROVED** on the 24th day of September, 2018.

**THE COMMISSIONERS COURT OF DIMMIT COUNTY, TEXAS**

County Judge
Dimmit County, Texas

County Commissioner, Precinct 1
Dimmit County, Texas

County Commissioner, Precinct 2
Dimmit County, Texas

County Commissioner, Precincts 3, 6
Dimmit County, Texas

**ABSENT**

County Commissioner, Precincts 4, 5, 7
Dimmit County, Texas

**ATTEST:**

County Clerk
Dimmit County, Texas

COMMISSIONERS COURT
COUNTY OF DIMMIT, TEXAS

**Tab 17**

***Signature and Certification Page signed and dated by Authorized School District Representative and Authorized Company Representative (applicant).***

Please see attached.

## 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** Alberto Gonzales — Print Name *(Authorized School District Representative)*

Supt. of Schools — Title

**sign here** — Signature *(Authorized School District Representative)*

7/30/19 — 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** Georgios Pergamalis — Print Name *(Authorized Company Representative (Applicant))*

Executive Vice President — Title

**sign here** — Signature *(Authorized Company Representative (Applicant))*

7-15-2019 — Date

GIVEN under my hand and seal of office this, the

15 day of July, 2019

NOTARY PUBLIC - State of Kansas
Kris K. Hanzlicek
My Appt. Expires _____

*(Notary Seal)*

Notary Public in and for the State of ~~Texas~~ Kansas

My Commission expires: 3-5-2023

**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.**