



October 15, 2019

Tabita Collazo  
Research Analyst  
Economic Development & Local Government  
Data Analysis & Transparency Division  
Texas Comptroller of Public Accounts  
111 East 17th Street, Room 427  
Austin, Texas 78774

Re: CG Wharton County LLC's 313 Application – Application No. 1420 Amendment 001

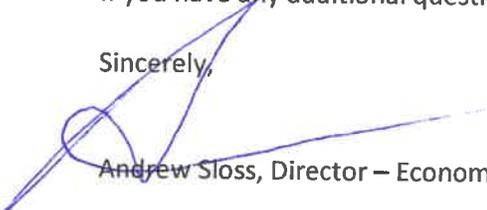
Dear Tabita,

Pursuant to your email which we received on Tuesday October 1, 2019 please find the attached amendments/revisions you requested as part of CG Wharton County LLC's 313 Application. The following changes were made to the application:

- Updated Section 1, Q1 to reflect the correct date the application was received by the District to 8/21
- Updated Section 1, Q1 missing email address
- Updated Tab 3
- Section 9 Q3 updated date to 1/1/2021
- Tab 7 & 8
  - Removed language "including but not limited to."
  - Replaced "the entirety of the project will be within East Bernard ISD" with "This application covers all qualified property in the reinvestment zone and project boundary with East Bernard ISD."
- Tab 12 – Updated waiver letter to reflect the industry standard requirement
  - Removed language regarding remote employees
- Updated Section 14 Q7-10, Section 14, Tab 13 and Schedule C to reflect revisions to Weekly Average Annual Wage
- Included Wharton County Guidelines and Criteria
- Updated Tab 11 to include more detailed vicinity map as requested
- Provided a new signature page.

If you have any additional questions please don't hesitate to call me, (346) 322-0996.

Sincerely,



Andrew Sloss, Director – Economic Development Service

# Application for Appraised Value Limitation on Qualified Property

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

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

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

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

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

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

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

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

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

## SECTION 1: School District Information

### 1. Authorized School District Representative

8/21/19  
Date Application Received by District

Courtney  
First Name

Hudgins  
Last Name

Superintendent  
Title

East Bernard ISD  
School District Name

723 College Street, East Bernard Texas 77435  
Street Address

723 College Street  
Mailing Address

East Bernard  
City

Texas  
State

77435  
ZIP

(979) 335-7519  
Phone Number

(979) 335-6561  
Fax Number

Mobile Number (optional)

Courtney.hudgins@ebisd.org.  
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)**

<p>Morgan _____ First Name</p> <p>Attorney _____ Title</p> <p>Walsh Gallegos, Trevino, Russo &amp; Kyle P.C. _____ Firm Name</p> <p>713.789.6864 _____ Phone Number</p> <p>_____ Mobile Number (optional)</p>	<p>Beam _____ Last Name</p> <p>_____ Fax Number</p> <p>mbeam@wabsa.com _____ Email Address</p>
---	--

4. On what date did the district determine this application complete? ..... 8/26/19

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)**

<p>Caton _____ First Name</p> <p>Chief Development Officer _____ Title</p> <p>1001 McKinney Street, Suite 700, Houston, Texas 77002 _____ Street Address</p> <p>1001 McKinney Street, Suite 700 _____ Mailing Address</p> <p>Houston _____ City</p> <p>346-998-2020 _____ Phone Number</p> <p>_____ Mobile Number (optional)</p>	<p>Fenz _____ Last Name</p> <p>CG Wharton County LLC _____ Organization</p> <p>Texas _____ State</p> <p>77002 _____ ZIP</p> <p>N/A _____ Fax Number</p> <p>cfenz@connectgenllc.com _____ Business Email Address</p>
--	---

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.

<p>Ty _____ First Name</p> <p>Manager, Project Development _____ Title</p> <p>1001 McKinney Street, Suite 700, Houston, Texas 77002 _____ Street Address</p> <p>1001 McKinney Street, Suite 700 _____ Mailing Address</p> <p>Houston _____ City</p> <p>346-998-2041 _____ Phone Number</p> <p>_____ Mobile Number (optional)</p>	<p>White _____ Last Name</p> <p>CG Wharton County LLC _____ Organization</p> <p>Texas _____ State</p> <p>77002 _____ ZIP</p> <p>N/A _____ Fax Number</p> <p>twhite@connectgenllc.com _____ Business Email Address</p>
--	---

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)**

Andrew	Sloss
First Name	Last Name
Director	
Title	
Merit Advisors	
Firm Name	
346.322.0996	N/A
Phone Number	Fax Number
asloss@meritadvisor.com	
Business Email Address	

**SECTION 3: Fees and Payments**

- Has an application fee been paid to the school district?  Yes  No  
 The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.  
 1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.
- For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
- Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A
- If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A

**SECTION 4: Business Applicant Information**

- What is the legal name of the applicant under which this application is made? CG Wharton County LLC
- List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32068946261
- List the NAICS code 221114
- Is the applicant a party to any other pending or active Chapter 313 agreements?  Yes  No  
 4a. If yes, please list application number, name of school district and year of agreement

**SECTION 5: Applicant Business Structure**

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

**SECTION 9: Projected Timeline**

- 1. Application approval by school board ..... August 2019
- 2. Commencement of construction ..... June 2020
- 3. Beginning of qualifying time period ..... 1/1/2021
- 4. First year of limitation ..... January 2022
- 5. Begin hiring new employees ..... January 2021
- 6. Commencement of commercial operations ..... June 2021
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (*date your application is finally determined to be complete*)? .....  Yes  No  
**Note:** Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? ..... June 2021

**SECTION 10: The Property**

- 1. Identify county or counties in which the proposed project will be located ..... Wharton County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ..... Wharton Central Appraisal District
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? .....  Yes  No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:  
 County: Wharton County, .42254 (100%) City: \_\_\_\_\_  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)  
 Hospital District: \_\_\_\_\_ Water District: Cons Groundwater .008300 100%  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)  
 Other (describe): FM&LR .051420 100% Other (describe): ESD #1 .050000 & ESD #3 .084610 100%  
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? .....  Yes  No  
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? .....  Yes  No  
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

**SECTION 11: Investment**

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... 10,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? ..... 20,000,000.00  
**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 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 \_\_\_\_\_  
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? ..... 0  
**Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? ..... 2
5. What is the number of new non-qualifying jobs you are estimating you will create? ..... 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? .....  Yes     No
  - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
  - a. Average weekly wage for all jobs (all industries) in the county is ..... 767.25
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 911.63
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 1,273.50
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? ..... 47,404.76
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 47,410.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? .....  Yes     No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? .....  Yes     No
  - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? .....  Yes     No
  - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

**SECTION 15: Economic Impact**

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

8Q52B4 2.000

TX2019 05-165  
Ver. 10.0 (Rev.9-11/3)

**Texas Franchise Tax Extension Affiliate List**

■ Tcode 13298

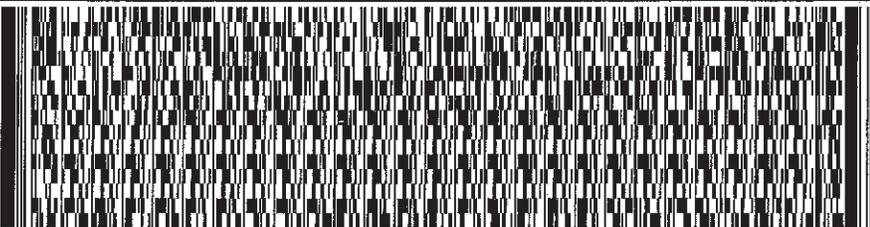
■ Reporting entity taxpayer number 831027017	■ Report year 2019	Reporting entity taxpayer name ConnectGen LLC
---	-----------------------	--

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	BLACKEN BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ConnectGen Management LLC	32067693997	<input type="checkbox"/>
2. ConnectGen Management Holdings LLC	831106848	<input type="checkbox"/>
3. ConnectGen Operating LLC	32067694029	<input type="checkbox"/>
4. ConnectGen East LLC	832895525	<input checked="" type="checkbox"/>
5. ConnectGen West LLC	32069425109	<input type="checkbox"/>
6. Clean Venture Acquisition LLC	833672116	<input checked="" type="checkbox"/>
7. Interconnect Energy Storage LLC	831554360	<input checked="" type="checkbox"/>
8. ConnectGen Chautauqua County LLC	833679785	<input checked="" type="checkbox"/>
9. ConnectGen Erie-Wyoming LLC	833708084	<input checked="" type="checkbox"/>
10. ConnectGen Laramie County LLC	833753630	<input checked="" type="checkbox"/>
11. ConnectGen Phoenix Valley LLC	833782740	<input checked="" type="checkbox"/>
12. ConnectGen Albany County LLC	832350649	<input checked="" type="checkbox"/>
13. CG Wharton County LLC	32068946261	<input type="checkbox"/>
14. CG Mustang Bayou LLC	32068971541	<input type="checkbox"/>
15. Evita Transmission LLC	832703676	<input checked="" type="checkbox"/>
16.		<input type="checkbox"/>
17.		<input type="checkbox"/>
18.		<input type="checkbox"/>
19.		<input type="checkbox"/>
20.		<input type="checkbox"/>
21.		<input type="checkbox"/>

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

Do not file this form when requesting a second extension.

**Texas Comptroller Official Use Only**



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



7004



## **Tab 7**

### *Description of Qualified Investment*

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, CG Wharton County LLC requests an appraised value limitation from East Bernard Independent School District. CG Wharton County LLC is proposing to construct a solar electric generating facility in Wharton County. The facility, which will encompass 1,215 acres across 1 parcel of land, will be located in the northeastern portion of the county. This application covers all qualified property in the reinvestment zone and project boundary within East Bernard ISD. The proposed project is planned to commence construction in June of 2020 and enter commercial operations on June 1<sup>st</sup> of 2021.

CG Wharton County LLC requests that this application the following components of this project:

- Solar Modules & Panels
- Racking & Mounting Structures
- Inverter Boxes
- Combiner Boxes
- Meteorological Equipment
- Foundations
- Operation & Maintenance Building
- Roadways, Paving, & Fencing
- Electrical Substations
- Interconnection Facilities



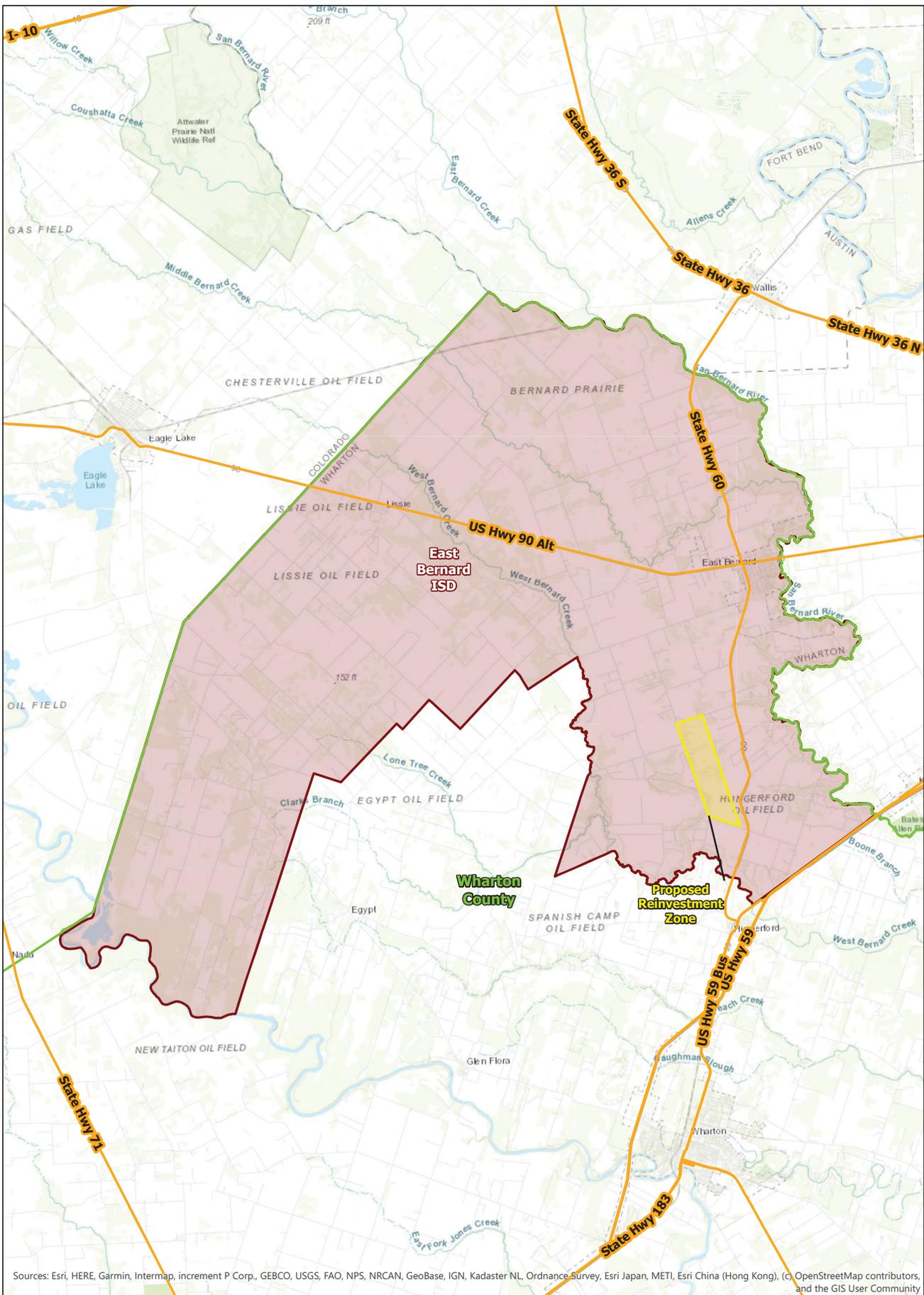
## Tab 8

### *Description of Qualified Property*

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, CG Wharton County LLC requests an appraised value limitation from East Bernard Independent School District. CG Wharton County LLC is proposing to construct a solar electric generating facility in Wharton County. The facility, which will encompass 1,215 acres across 1 parcel of land, will be located in the northeastern portion of the county. This application covers all qualified property in the reinvestment zone and project boundary within East Bernard ISD. The proposed project is planned to commence construction in June of 2020 and enter commercial operations on June 1<sup>st</sup> of 2021.

CG Wharton County LLC requests that this application include the following components of this project:

- Solar Modules & Panels
- Racking & Mounting Structures
- Inverter Boxes
- Combiner Boxes
- Meteorological Equipment
- Foundations
- Operation & Maintenance Building
- Roadways, Paving, & Fencing
- Electrical Substations
- Interconnection Facilities



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

- Wharton County
- Project Boundary &
- Proposed Reinvestment Zone
- East Bernard ISD

**CG Wharton County LLC  
Proposed Reinvestment Zone  
within East Bernard ISD**



October - 2019  
App 1420 - East Bernard ISD - CG  
Wharton County, LLC - Amendment 001  
- 10/9/19



August 26, 2019

Courtney Hudgins  
Superintendent - East Bernard ISD  
723 State Street  
East Bernard, TX 77435

Supt. Hudgins,

ConnectGEN LLC and its wholly owned subsidiary, CG Wharton County LLC (herein "CG") is requesting that East Bernard ISD's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Texas Tax Code. We are requesting this waiver based on the school district's board findings that the job creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

CG requests that East Bernard ISD make such a finding and waive the job creation requirement for 10 permanent jobs. CG will commit to creating 2 qualified jobs in the school district which currently meets the industry standard for job requirements for maintenance and operation of a facility of this capacity (150MW).

Solar projects like the proposed Sandy Branch Solar Project in Wharton county create many full and part-time jobs. This is especially true during the construction phase. CG estimates that at peak construction there will be at least 175 jobs, paying average wages of \$22.00/hour on this project. Once construction is completed however, solar facilities only require a small number of employees to operate and maintain the facility. In addition, other solar developers have requested and received job waivers on previously certified limitation applications of similar size and scope.

The permanent employees that will be part of this project have a multitude of responsibilities and include but are not limited to the following: maintain and service the photovoltaic panels and inverters, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the facility. The industry standard for a solar farm is 1 employee/job per 80 MW of installed capacity.

Siting the Sandy Branch Solar Project in East Bernard ISD will result in significant economic development benefits for the county and school district. ConnectGEN LLC looks forward to partnering with East Bernard ISD and the local community to help make a positive and lasting impact in the community. Thank you for considering our request and if you have any questions, please don't hesitate to contact us.

Sincerely,



Andrew Sloss, Director – Economic Development Service

 CG Wharton County LLC Chapter 313 Application



### Tab 13

*Calculation of three possible wage requirements*

**All Industries & Manufacturing AWW**

Year	Period	Area	Ownership	Industry Code	Industry	Average Employment	Average Weekly Wage
2018	02	Wharton	Total All	10	Total, All Industries	15,846	\$740.00
2018	03	Wharton	Total All	10	Total, All Industries	16,064	\$767.00
2018	04	Wharton	Total All	10	Total, All Industries	16,196	\$787.00
2019	01	Wharton	Total All	10	Total, All Industries	15,839	\$775.00
						<b>Average</b>	<b>\$767.25</b>
						<b>110% AWW</b>	<b>\$843.98</b>
2018	02	Wharton	PRIVATE	1013	Manufacturing	1,540	\$851.00
2018	03	Wharton	PRIVATE	1013	Manufacturing	1,545	\$802.00
2018	04	Wharton	PRIVATE	1013	Manufacturing	1,550	\$850.00
2019	01	Wharton	PRIVATE	1013	Manufacturing	1,425	\$812.00
						<b>Average</b>	<b>\$828.75</b>
						<b>110% AWW</b>	<b>\$911.63</b>

**Regional Manufacturing Wage – Houston/Galveston Area Council of Government**

2018 Annual Wage: \$61,909 or \$1,191 weekly (Calculated as  $\$61,909/52 = \$1,191$ )

2018 110% Annual Wage: \$68,099.90 or \$1,309.61 weekly (Calculated as  $\$68,099.90/52 = \$1,309.61$ )

**Schedule C: Employment Information**

10/1/2019

CG Wharton County, LLC East Bernard ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each Year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	175	\$22.00/hr	N/A	0	\$0	
Each Year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	175	\$22.00/hr	N/A	2	\$47,410	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021			N/A	2	\$47,410	
	2	2022-2023	2022			N/A	2	\$47,410	
	3	2023-2024	2023			N/A	2	\$47,410	
	4	2024-2025	2024			N/A	2	\$47,410	
	5	2025-2026	2025			N/A	2	\$47,410	
	6	2026-2027	2026			N/A	2	\$47,410	
	7	2027-2028	2027			N/A	2	\$47,410	
	8	2028-2029	2028			N/A	2	\$47,410	
	9	2029-2030	2029			N/A	2	\$47,410	
	10	2030-2031	2030			N/A	2	\$47,410	
Years Following Value Limitation Period	11 through 25	2031-2045	2031-2045			N/A	2	\$47,410	

Notes: See TAC 9.1051 for definition of non-qualifying jobs.  
 Only include jobs on the project site in this school district.

**C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)  
 if yes, answer the following two questions:

Yes  No

**C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)?

Yes  No

**C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?

Yes  No

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS  
BY THE COUNTY OF WHARTON, TEXAS**

**Section 1. Definitions**

**The following words, terms and phrases shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. The Commissioners Court shall have the power from time to time to provide such additional and/or modified definitions that they may find desirable and necessary. The words and phrases as herein set out shall be deemed and understood to mean:**

- (A) *Abatement* shall mean the full or partial exemption from ad valorem taxes of certain real property and certain limited types of tangible personal property, as herein after provided, located in a reinvestment zone designated by the County of Wharton for economic development purposes.
- (B) *Affected jurisdiction* shall mean any governmental, educational, or special purpose entity that levies ad valorem taxes upon and provides services to property located within a proposed or existing reinvestment zone.
- (C) *Agreement* shall mean a contractual agreement (Tax Abatement Agreement) between a property owner and/or lessee and the County of Wharton.
- (D) *Base year value* shall mean the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- (E) *County* shall mean the County of Wharton, Texas.
- (F) *Commissioners Court* shall mean the governing body of the County of Wharton, Texas.
- (G) *Deferred maintenance* shall mean improvements necessary for continued operation, which do not improve productivity or alter the process technology.
- (H) *Distribution facility* shall mean a facility used primarily to receive, store, and distribute goods or materials principally to points outside the County.
- (I) *Economic life* shall mean the number of years a property improvement is expected to be in service. Provided, however, that in no circumstance shall the number of years exceed the depreciation allowance specified in the United States Internal Revenue Code.
- (J) *Eligible facilities* shall mean new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which are reasonably likely, as a result of granting abatement, to contribute to the retention or expansion of primary employment, or to attract major investment in the reinvestment zone that would be a benefit to the property, or that would contribute to economic development within the County. Eligible facilities may include, but shall not be limited to: retail sales establishments generating municipal sales taxes and providing goods and services to an intended wide distribution area, or that have the potential to stem the export of retail expenditures from the County, or have the potential to draw new retail expenditures into the

County; manufacturing facilities; office buildings; hotels/motels; distribution facilities; service facilities; tourism facilities; and other facilities not herein expressly deemed ineligible; which in the sole opinion of Commissioners Court will have a positive impact on the economic well-being of the County.

- (K) *Expansion* shall mean the addition of buildings, structures, fixed machinery, as that term is defined herein, equipment, or payroll for the purposes of increasing production, efficiency, services, or combination thereof.
- (L) *Facility* shall mean property improvements completed or in the process of construction which together comprise an integral whole.
- (M) *Fixed machinery* shall mean tangible machinery, equipment, or personal property, which is securely placed or fastened, and stationary within a building or structure, or permanently resides in the reinvestment zone.
- (N) *Hotel / motel* shall mean a commercial structure which provides overnight accommodations to travelers.
- (O) *Housing* shall mean facilities whose purpose is to accommodate shelter for one or more families in single or multiple units.
- (P) *Ineligible property* shall mean: land; supplies; inventory; tools; furnishings; other moveable personal property; rolling stock, railroad cars, trucks, aircraft, or other forms of transportation; housing; deferred maintenance; property to be rented or leased, except as provided in Section 2 (E).
- (Q) *Manufacturing facility* shall mean a facility with the primary purpose being the manufacture or whole or partial assembly of tangible goods or materials by physical or chemical change.
- (R) *Modernization* shall mean the complete or partial modification and/or replacement of existing facilities, which increases its productivity, efficiency, or ability to enhance trade volume.
- (S) *Office facility* shall mean a facility providing primarily office space which may be owner occupied and/or leased. Also included are corporate offices, which serve, as the principal office for a business enterprise, and from which orders for goods and billing for same may take place.
- (T) *On-Site Real Estate Improvements* - Generally, buildings, by may include any permanent structure or other development erected for use on-site in Wharton, Texas.
- (U) *On-Site Real Estate Fixtures and Equipment Improvements* - Personal Property and equipment which is attached to real property, and is legally treated as real property while it is so attached. Fixtures and equipment not specifically excepted from an accepted offer to purchase, pass with the real estate.
- (V) *Recipient* shall mean the company or individual being the beneficiary of a Tax Abatement Agreement.
- (W) *Reinvestment zone* shall mean any area of the County of Wharton, which Commissioners Court

has designated as such, a zone for the purpose of granting tax abatements. It is the intent of the County of Wharton to create reinvestment zones on a case-by-case basis, so long as the abatement contemplated conforms to the guidelines herein contained.

- (X) *Retail facility* shall mean a facility providing for the storage and sale of goods directly to the consumer.
- (Y) *Service facility* shall mean a facility whose primary purpose is to receive orders for, and/or provide services, and from which billing for same may take place.
- (Z) *Tourism facility* shall mean a facility which provides entertainment and/or tourism related services, and from which a majority of revenues generated are from outside the County of Wharton.

## Section 2. Criteria for Granting

- (A) *Eligibility.* Upon application, eligible facilities may be considered for tax abatement as hereinafter provided. Abatement may only be granted for new or added value of eligible property improvements, subject to such limitations as the County may from time to time require, or as may be specified in the agreement between the parties. Existing value is not abatable.
- (B) *Ineligible Property.* Ineligible property may not be granted abatement.
- (C) *Authorized Date.* Abatement may only be granted for the new or added value of eligible property improvement that is created subsequent to the approval of the tax abatement application.
- (D) *Eligible New and Existing Facilities.* Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (E) *Owned / Leased Facilities.* If a leased facility is granted abatement, the agreement shall be executed with the lessor and lessee.
- (F) *Economic Qualification.* In order to be eligible for designation as a Reinvestment Zone and receive tax abatement, the planned improvement must be expected to have an increased appraised ad valorem tax value of at least one hundred thousand dollars (\$100,000) upon completion of the anticipated improvements or expansion based upon the Wharton County Central Appraisal District assessment of the eligible property.
- (G) *Standards for Tax Abatement.* The following factors, among such other factors as determined necessary by the Commissioners Court, shall be considered in determining whether to grant tax abatement:
  - (1) Value of land and existing improvements, if any;
  - (2) Type and value of proposed improvements;
  - (3) Productive life of proposed improvements;
  - (4) Number of existing jobs to be retained by proposed improvements;
  - (5) Number and type of new jobs to be created;
  - (6) Number of new jobs to be filled by local residents, or by persons projected to reside in the County;
  - (7) Amount of local sales tax to be generated;
  - (8) The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements;
  - (9) The amount of ad valorem taxes to be paid the County during the abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the

- abatement period, and (d) the value after expiration of the abatement period;
- (10) The population growth that occurs directly as a result of the improvements;
- (11) The values of public improvements, if any, to be made by applicant seeking abatement;
- (12) To what extent the proposed improvements compete with existing businesses to the detriment of the local economy;
- (13) The extent of business opportunities created by the proposed improvements for local businesses;
- (14) Impact on attracting other new businesses as a result of the improvements;
- (15) Impact the planned improvements may have on other taxing jurisdictions within the County;
- (16) Environmental compatibility, and amount, if any, of negative impact on quality of life perceptions; and
- (17) The ratio of real property value to personal property value being considered for abatement.

After a full evaluation and review utilizing some or all of the above factors, Commissioners Court may within the exercise of its full discretion either deny entirely the abatement, or may grant an abatement as deemed appropriate when the new value equals one million dollars (\$1,000,000) or greater, or as provided herein where the new value equals a minimum of one hundred thousand dollars (\$100,000), but is less than one million dollars (\$1,000,000).

- (H) *Denial of Abatement.* Neither a Reinvestment Zone nor an Agreement shall be authorized if it is determined that:
  - (1) There would be a substantial adverse effect on the provision of government service or tax base;
  - (2) The applicant has insufficient financial capacity;
  - (3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals;
  - (4) Violation of other codes or laws; or
  - (5) Any other reason deemed appropriate by the Commissioners Court.
- (I) (1) ***Amount of Abatement for On-site Real Estate Improvements.*** The percentage of value to be abated, and the duration of the tax abatement shall be determined as follows:
  - (a) For planned improvements valued at one million dollars (\$1,000,000) or greater, the percentage and duration of the tax abatement shall be determined by the Commissioners Court in the exercise of its absolute discretion on a case by case basis, taking into consideration, some or all of the factors listed above in subsection (G).
  - (b) For planned improvements valued a minimum of one hundred thousand dollars (\$100,000), but less than one million dollars (\$1,000,000), the percentage and duration of the tax abatement shall be as set out in Section (C) below, and likewise taking into consideration some or all of the factors listed above in subsection (G):
  - (c) In those cases where it is mutually agreeable to the parties to the Agreement, the annual percentages as well as the number of years that taxes are abated may be modified, but only to the extent that the years do not exceed ten (10), and the total percentage of abatement for each value category is not exceeded. That is:

\$100,000	-	\$250,000	=	Max. 250%
\$250,001	-	\$500,000	=	Max. 300%
\$500,001	-	\$750,000	=	Max. 375%

\$750,001 - \$999,999 = Max. 425%

(d) Commissioners Court reserves the right to adjust the term and percentage of abatement to the appropriate category should the taxable value of proposed improvements, as determined by the Chief Appraiser of the Wharton County Central Appraisal District, vary from the original estimated value to the extent that the original category selected for the term and percentage of the abatement is no longer applicable.

(2) **On Site Real Estate Fixtures and Equipment Improvements.** The percentage of value to be abated, and the duration of the tax abatement shall be determined as follows:

(a) For planned improvements valued at one million dollars (\$1,000,000) or greater, the percentage and duration of the tax abatement shall be determined by the Commissioners Court in the exercise of its absolute discretion on a case by case basis, taking into consideration, some or all of the factors listed above in subsection (G).

(b) For planned improvements valued a minimum of one hundred thousand dollars (\$100,000), but less than one million dollars (\$1,000,000), the percentage and duration of the tax abatement shall be as set out in Section (C) below, and likewise taking into consideration some or all of the factors listed above in subsection (G):

(c) In those cases where it is mutually agreeable to the parties to the Agreement, the annual percentages as well as the number of years that taxes are abated, as shown in the table above, may be modified, but only to the extent that the years do not exceed ten (10), and the total percentage of abatement for each value category is not exceeded. That is:

\$100,000 - \$250,000	=	Max. 250%
\$250,001 - \$500,000	=	Max. 300%
\$500,001 - \$750,000	=	Max. 375%
\$750,001 - \$999,999	=	Max. 425%

(d) Commissioners Court reserves the right to adjust the term and percentage of abatement to the appropriate category should the taxable value of proposed improvements, as determined by the Chief Appraiser of the Wharton County Central Appraisal District, vary from the original estimated value to the extent that the original category selected for the term and percentage of the abatement is no longer applicable.

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

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

### **Section 3. Application**

- (A) Any present or potential owner of taxable property in the County of Wharton may request the creation of a Reinvestment Zone and property tax abatement by filing a written application with the County Judge. An application for tax abatement must be filed prior to the commencement of any construction, alteration, or installation of any improvements for which tax abatement is being requested. The applicant shall at no time acquire any rights, privileges or authority, either monetary or otherwise, by reason of filing any application, or providing any documentation in conjunction with an application filed herein. The County of Wharton is under no obligation to provide any abatement to any applicant even if certain criteria are met. The County of Wharton reserves the right to reject any application.
- (B) As part of the application process the following shall be provided:
- (1) Completed application form, or letter of request if form not available;
  - (2) Vicinity map along with a legal description of the property; and
  - (3) Such financial and other information as deemed appropriate by the County for purposes of evaluating the application.

### **Section 4. Action by Commissioners Court on application**

- The Commissioners Court shall, within a reasonable time after completion of the review of all documents submitted by the applicant, and such other investigation and inquiry as shall be deemed appropriate, and upon receipt of a report and recommendation from the County Judge, by resolution exercise its absolute discretion, and either administratively approve or disapprove the application for tax abatement. The County shall notify the applicant of its decision to administratively approve or disapprove the application.
- (B) Action by Commissioners Court to administratively approve the application does not constitute authorization to execute an Agreement (Contract) with the applicant. It does constitute authorization to begin the process of creating a Reinvestment Zone and drafting of a proposed Agreement.

### **Section 5. Creation of a Reinvestment Zone.**

- (A) Prior to the adoption of an Ordinance designating a Reinvestment Zone the County shall, through public hearing afford the applicant, designated representatives of any affected jurisdiction, and the general public opportunity to show cause why the abatement should or should not be granted.
- (1) The presiding officers of affected jurisdictions shall in writing be notified of the public hearing no later than the seventh (7<sup>th</sup>) day prior to the date of the public hearing.
  - (2) A notice of public hearing for the creation of a Reinvestment Zone shall be published in a newspaper of general circulation within the taxing jurisdiction no later than the seventh (7<sup>th</sup>) day prior to the date of the public hearing.

### **Section 6. Tax Abatement Agreement**

- (A) After approval of the application for tax abatement, and adoption of an Ordinance creating a Reinvestment Zone, the County will pass a resolution authorizing the execution of an Agreement.

- (1) No later than the seventh (7<sup>th</sup>) day prior to taking action to authorize execution of an Agreement, the County shall notify in writing the presiding officers of each of the other taxing jurisdictions within which the property is located of its intention to enter into an Agreement.
- (B) The Agreement shall include among other provisions the following:
- (1) The estimated value to be abated and the base year value;
  - (2) The percentage of value to be abated each year and the number of years abatement will be granted as provided in Section 2 (I);
  - (3) The commencement and termination date of abatement;
  - (4) The commencement and completion date of proposed improvements;
  - (5) Size of investment and average number of jobs to be created;
  - (6) Right of County employees and/or designated representatives during the term of the Agreement to access to the Reinvestment Zone for the purpose of determining if terms and conditions of the Agreement are being met. Such inspections shall be in accordance with the provisions of Section 7(D);
  - (7) The responsibility of the recipient of tax abatement to file appropriate documents with the Chief Appraiser of the Wharton County Central Appraisal District; and
  - (8) Contractual obligations related to default, violation of terms or conditions, delinquent taxes, recapture, administration, and assignment.
- (C) Such Agreement shall be executed by the applicant in duplicate originals within a reasonable time after the same has been approved by Commissioners Court.

## **Section 7. Administration**

- (A) The Chief Appraiser of Wharton County Central Appraisal District will annually determine an assessment of the taxable assessed value of the recipient's property, taking into consideration the terms of the Abatement Agreement relating to such real and personal property found within the Reinvestment Zone which is subject to terms and provisions of the Agreement.
- (B) Each year, the recipient shall furnish the Chief Appraiser with such information as may be necessary for the abatement.
- (C) It shall be the exclusive duty and responsibility of the recipient to comply with all requirements of the Wharton Central Appraisal District in order to secure and continue to receive the benefit of any approved Agreement. Failure to do so shall not be deemed the fault of the County of Wharton or any of its officers and employees.
- (D) Employees and/or designated representatives of the County during the term of the Agreement shall have the right of access to the Reinvestment Zone, facilities contained therein, and records related to real and personal property investments and employment, in order to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of

twenty-four (24) hours prior notice, and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the recipient present, and in accordance with the recipient's safety standards.

- (E) The recipient shall prepare at the request of the County, and on a frequency as stipulated by the County, reports as to the progress and status of all contemplated improvements, and upon completion of the anticipated improvements a final report shall be provided to the County, providing as a minimum the following information:
  - (1) A description of the improvements provided for in the Agreement, and the improvements actually completed;
  - (2) The date of commencement of improvements, significant progress dates, and actual or anticipated completion date;
  - (3) Investments made, including purpose, size, and date; and
  - (4) A disclosure and description of any and all changes, restructuring, or modifications that were made in the contemplated improvements.
- (F) Any required reporting by the recipient be in a form approved by the County, or on a form/forms as provided by the County if the County so elects to provide.
- (G) Upon completion of anticipated improvements, a designated representative of the County shall annually evaluate each facility receiving abatement to insure compliance with the Agreement, and a formal report shall be made to the Commissioners Court regarding the findings of each evaluation.
- (H) The recipient shall certify annually as to compliance with the terms and conditions of the Agreement.
- (I) The County shall file reports required of the County by State Law. Such reports being filed with the appropriate agency.

### **Section 8. Assignment**

- (A) The rights granted under an Agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility, or proposed facility only upon the approval by resolution of the Commissioners Court, and the execution of an Assignment Agreement between the County and the new owner or lessee. Such assignment shall be at the sole discretion of the County, and subject to the following conditions:
  - (1) Financial capacity of the assignee;
  - (2) Contemplated facility use, and proposed and/or completed improvements being as stated in the Agreement; and
  - (3) No outstanding taxes or other debts are owed to any governmental entity by the parties to the Agreement or the proposed Assignment Agreement.
  - (4) Approval of an Assignment Agreement shall not be unreasonably withheld.

## Section 9. Default and Recapture

- (A) *Cause.* The Agreement may be terminated by the Commissioners Court for the following causes, which shall be considered a default of the Agreement:
- (1) Recipient allows the ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the requirements of law for their protest and/or cure; or
  - (2) Recipient violates any of the terms and conditions of the Agreement, and fails to cure during the cure period described in this Section.
- (B) *Procedure.* Should the County determine that the recipient is in probable default of the Agreement, the following shall occur:
- (1) A Notice of Probable Default shall be delivered in writing to the recipient of tax abatement. Such notice shall identify the probable cause/causes for default, and afford the recipient an opportunity to request a hearing before Commissioners Court, who shall finally decide if a default has occurred.
  - (2) If no request for hearing is made within ten (10) days of receipt of the Notice of Probable Default, the Commissioners Court may confirm the existence of default.
  - (3) If default is determined either by hearing, or failure of recipient to request a hearing, the County shall deliver in writing to the recipient of tax abatement a Notice of Default.
  - (4) The recipient shall, within thirty (30) days of receipt of the Notice of Default, cure the cause/causes for default. Failure to do so will be cause for the County to terminate the Agreement without further notice.
  - (5) The Agreement shall be terminated by an ordinance duly passed and adopted by Commissioners Court.
- (C) *Recapture.*
- (1) Should the Agreement be terminated, all taxes previously abated prior to the termination shall be due and payable to the County within thirty (30) days.
  - (2) Should the recipient discontinue operations of improvements as stated in the application for abatement, or the Agreement, for reasons excepting fire, explosion, or other disaster, for a period of one year during the abatement period, then the Agreement shall be terminated, and all taxes abated prior to the termination of the Agreement shall be due and payable to the County within thirty (30) days.

## Section 10. Concurrent Abatements

During the term of the Agreement, the Recipient is eligible to apply for additional abatements on proposed improvements subsequent to the original Agreement. Such additional applications and considerations shall be in accordance with the provisions contained herein.

## **Section 11. Confidentiality**

The County will make every effort within the laws of the State of Texas to maintain confidentiality of information related to an application for abatement, and the granting or rejection of abatement.

- (A) Information that is provided to the County in connection with an application for abatement, and that describes the specific processes, or business activities to be conducted, the equipment, or other property to be located on the property for which tax abatement is sought, is confidential, and not subject to public disclosure until the Agreement is executed. Any information remaining in the custody of the County after the Agreement is executed is no longer confidential.
- (B) The County may hold closed meetings to discuss or deliberate commercial or financial information it has received from a business prospect that the County seeks to have locate, stay, or expand in or near its jurisdiction.
- (C) The County may hold closed meetings to discuss or deliberate the offer of a financial or other incentive to a business prospect the County seeks to have locate, stay, or expand in or near its jurisdiction.
- (D) Upon execution of an Agreement, information about a financial or other incentive being offered to a business prospect is no longer confidential, and subject to public disclosure.
- (E) The following information is exempt from public disclosure:
  - (1) Trade secrets
  - (2) Commercial or financial information, for which it is demonstrated, based on specific factual evidence that disclosure would cause substantial competitive harm to the person or company from whom the information was obtained.

## **Section 12. Severability**

In the event any section, clause, sentence, paragraph, or any part of these Guidelines and Criteria shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.

## **Section 13. Sunset Provision**

- (A) These Guidelines and Criteria are effective upon the date of their adoption by the Commissioners Court, and will remain in force for two (2) years, at which time all Reinvestment Zones and Agreements created pursuant to its provisions will be reviewed by the Commissioners Court to determine whether the goals of the abatement program have been achieved. Based upon that review, the Guidelines and Criteria may be modified, renewed, or eliminated.
- (B) Prior to the date for review these Guidelines and Criteria may be modified by a three-fourths (3/4) vote of the entire membership of the Commissioners Court.

## **Section 14. Discretion of the County**

The adoption of these Guidelines and Criteria by the County does not:

- (A) Limit the discretion of the Commissioners Court to decide whether to enter into a specific Agreement which absolute right of discretion the Commissioners Court reserves unto itself, whether or not such discretion may be deemed arbitrary, or without basis in fact;
- (B) Limit the discretion of the Commissioners Court to delegate to its employees or assigns the authority to determine whether or not the Commissioners Court should consider a particular application or request for tax abatement; or
- (C) Create any property, contract, or other legal rights in any person or entity to have the Commissioners Court consider or grant a specific application or request for tax abatement.

*Adopted on December 11, 2017 by the Wharton County Commissioners Court.*

*309 East Milam Street  
Wharton, TX 77488*

**APPLICATION FOR COMMERCIAL PROPERTY TAX ABATEMENT**

*with*  
**THE COUNTY OF WHARTON, TEXAS**

**I (We), hereinafter referred to as “APPLICANT”, on behalf of the identified entity, submit to the County of Wharton, hereinafter referred to as “COUNTY”, this application for approval of a tax abatement agreement under the provisions of the County of Wharton’s Tax Abatement Policy.**

**As part of this application, APPLICANT represents to the COUNTY the following:**

- A. APPLICANT has received a copy of County of Wharton Tax Abatement Policy, as finally passed and approved by the COUNTY on 11th day of December, 2017, and has read the provisions thereof. APPLICANT acknowledges to COUNTY that in making this application APPLICANT understands the terms and provisions thereof, and all questions relating to any needed interpretation thereof have been answered by authorized representatives of the COUNTY prior to the submission of this application.**
- B. APPLICANT has secured such legal, accounting, and/or other advice that may be necessary for APPLICANT to determine the desirability of making this application and/or accurately and correctly answering any questions as hereinafter set out. APPLICANT acknowledges that it has completely relied on the advice and counsel of experts and/or appropriate persons retained, employed, or compensated by APPLICANT, and that it has not relied upon, nor is APPLICANT now attempting to rely upon the advice and counsel of the COUNTY, its servants, agents, employees, and/or elected or appointed officers.**
- C. By signing this document, “Application for Tax Abatement”, either in an individual capacity or representative capacity, APPLICANT acknowledges and verifies that all of the facts, information, and allegations as herein set out are true, correct, and accurate, and that the COUNTY may rely thereon as if the same had been signed by APPLICANT or Applicant’s agent before a Notary Public or other authorized officer permitted by law to administer oaths and to take acknowledgments. APPLICANT further acknowledges and understands that any materially false statements of fact may be considered a violation of the criminal laws of the State of Texas.**
- D. If APPLICANT is a corporate entity, APPLICANT swears and affirms that all applicable franchise taxes or other taxes paid for the privilege of conducting business have been fully paid and that the APPLICANT if fully authorized to transact business in the State of Texas, and in the state of incorporation if different from the State of Texas. In addition, APPLICANT, whether a corporate entity, partnership, or other legal type business entity, or an individual, acknowledges and verifies that it is current on all current tax obligations, assessments, or other governmental levies and assessments, and that the same have been paid when due and payable, and that no delinquencies exist at this time.**

**APPLICATION INFORMATION**

- 1. The present and / or proposed name of the business entity seeking tax abatement.**  
*(Please provide documentation indicating the full name, as it appears either on the corporate charter, partnership agreement, assumed name certificate, or other documents which establish the legal name under which business is conducted).*

Business Entity Name \_\_\_\_\_

- 2. BUSINESS LOCATIONS:**

Location in the County of Wharton for which tax abatement is being requested.

Street Address \_\_\_\_\_

Other locations within or outside the County of Wharton for the above named company

Street Address \_\_\_\_\_

County \_\_\_\_\_

Street Address \_\_\_\_\_

County \_\_\_\_\_

Other companies and locations owned and / or operated by the APPLICANT

Company Name \_\_\_\_\_

Street Address \_\_\_\_\_

County \_\_\_\_\_

Company Name \_\_\_\_\_

Street Address \_\_\_\_\_

County \_\_\_\_\_

- 3. Please attach a separate document providing a legal description of the property upon which the contemplated improvements will be located.**
- 4. Please attach a vicinity map locating the property within the County of Wharton.**
- 5. Number of year's company seeking tax abatement has been in operation \_\_\_\_.**
- 6. Person or persons who may be contacted for additional information relative to this application:**

Company Name \_\_\_\_\_

Address \_\_\_\_\_

Phone No. \_\_\_\_\_

Company Name \_\_\_\_\_

Address \_\_\_\_\_

Phone No. \_\_\_\_\_

**7. PROPOSED IMPROVEMENTS**

DESCRIPTION	ESTIMATED VALUE	START DATE	COMPLETION DATE	PRODUCTIVE LIFE
-------------	-----------------	------------	-----------------	-----------------

A. Building Improvements

---

B. Major Utility Improvements

- a. Electrical
- b. Plumbing
- c. Fiber Optics
- d. Pumps
- e. Other

C. Other Building Improvements

- a.
- b.
- c.
- d.
- e.

D. Equipment for

- a. Production
- b. Office
- c. Tooling
- d. Systems
- e. Other

E. Other Equipment

1. *Please be as detailed as possible in the description of improvements and provide any available support documentation for estimates of improvement values.*
2. *Please attach a letter requesting the abatement.*
3. *Extra space below may be utilized if necessary.*

**8. PROJECT FINANCING:**

Please describe in detail project financing, including owner equity, amount of debt, terms of debt service, name of issuer of debt, etc.

---

---

---

Has financing been secured?

Yes \_\_\_\_\_ *(Please attach documentation)*

No \_\_\_\_\_

Pending \_\_\_\_\_ With Whom? \_\_\_\_\_

**9. What is the value of existing improvements?** *(Please attach most recent Central Appraisal District valuation statement)*

Real property value (Land & buildings) \$ \_\_\_\_\_

Personal property value (Equipment, inventories, etc.) \$ \_\_\_\_\_

**10. Amount of current annual sales tax (if applicable) generated within the County of Wharton?** *(Please attach three most current State Comptroller Sales Tax Reports)*

\$ \_\_\_\_\_

**11. Estimated amount (if any) of additional annual sales tax to be generated within the County of Wharton as a result of contemplated improvements?**

\$ \_\_\_\_\_

**12. Current taxable value (if any) of inventory within the County of Wharton?** *(Please attach Central Appraisal District valuation statement)*

\$ \_\_\_\_\_

**13. Estimated amount of additional taxable inventory within the County of Wharton to be created as a result of contemplated improvements?**

\$ \_\_\_\_\_

**14. EMPLOYMENT:**

Number of current employees \_\_\_\_\_

Amount of current annual payroll \$ \_\_\_\_\_

Will the proposed improvements involve a reduction in number of current employees?

Yes \_\_\_\_\_ *(How many?)* \_\_\_\_\_

No \_\_\_\_\_

Number of new jobs to be created as a result of proposed improvements \_\_\_\_\_

Please categorize new jobs by number, type, and pay \_\_\_\_\_

---

Total amount of new annual payroll

\$ \_\_\_\_\_

**15. FINANCIAL INFORMATION:**

- A. Please provide a Complete Financial Statement (for *APPLICANT COMPANY*, or *other owned or previously owned companies if APPLICANT COMPANY is a new venture*) including the following:
  - 1. Balance sheet
  - 2. Statement of profit & loss
  - 3. Statement of cash flows
- B. Please provide most recent 2 year tax returns of *APPLICANT COMPANY* (if *currently in operation*) or for owner/owners if company is a new venture.
- C. Please provide *APPLICANT'S* 3 most recent bank statements

**16. WATER INFORMATION**

Please provide a statement detailing 1) The current water usage, 2) The anticipated water usage as a result of this improvement; and 3) the anticipated water quality impact upon completion.

**17. STATE PERMITTING CODE**

Does applicant agree to comply with the State of Texas plumbing code?  
 Yes  No

**VERIFICATION**

**I (We), the undersigned APPLICANT (S), certify that all requirements of the County of Wharton's Resolution Tax Abatement Policy have been met in relation to the application filed herein, and further acknowledge that no rights or privileges may be relied on as a part of any application. In addition, it is acknowledged that the County may or may not grant tax abatement upon application or request hereunder purely as a matter of discretion, and that there is no legal right to rely on any previous actions taken in same or similar applications, or previous actions taken on other applications concerning the same or similar property.**

*Signed and submitted to the County of Wharton on this, the \_\_\_\_ day of \_\_\_\_\_ 20\_\_.*

\_\_\_\_\_  
Name of Entity Making Application

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Applicant

## DOCUMENTATION CHECKLIST

**As a part of this “Application for Tax Abatement”, the following documentation is being provided:**

- Establishment of business entity name
- Legal description of subject property
- Vicinity map of subject property
- Estimates of proposed improvement values
- Documentation of approved financing
- Central Appraisal District valuation statement of existing improvements
- Three most current State Comptroller sales tax reports
- Central Appraisal District valuation statement of inventories
- Complete Financial Statement
  - Balance sheet
  - Statement of profit and loss
  - Statement cash flows
- Two most recent annual tax returns
- Three most recent bank statements
- Letter requesting the abatement
- Statement of water usage

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 Courtney Hudgins
Print Name (Authorized School District Representative)

East Bernard School Superintendent
Title

sign here [Handwritten Signature]
Signature (Authorized School District Representative)

10-15-19
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 Caton Fenz
Print Name (Authorized Company Representative (Applicant))

Chief Development Officer
Title

sign here [Handwritten Signature]
Signature (Authorized Company Representative (Applicant))

10/10/2019
Date

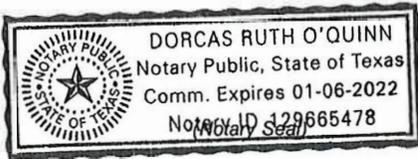
GIVEN under my hand and seal of office this, the

16th day of October 2019

[Handwritten Signature]

Notary Public in and for the State of Texas

My Commission expires: 1/6/2022



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.