



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

November 8, 2019

Alejos Salazar  
Superintendent  
La Villa Independent School District  
P.O. Box 9  
La Villa, Texas 78562

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between La Villa Independent School District and Ponte Alto Windpower, LLC, Application 1423

Dear Superintendent Salazar:

On October 4, 2019, the Comptroller issued written notice that Ponte Alto Windpower, LLC (applicant) submitted a completed application (Application 1423) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on May 13, 2019, to the La Villa Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.  
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

<sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1423.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

### **Certificate decision required by 313.025(d)**

#### **Determination required by 313.026(c)(1)**

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

#### **Determination required by 313.026(c)(2)**

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of October 4, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Ponte Alto Windpower, LLC (project) applying to La Villa Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of Ponte Alto Windpower, LLC.

Applicant	Ponte Alto Windpower, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	La Villa ISD
2017-2018 Average Daily Attendance	537
County	Hidalgo
Proposed Total Investment in District	\$52,030,000
Proposed Qualified Investment	\$52,030,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$757
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$757
Minimum annual wage committed to by applicant for qualified jobs	\$39,384.29
Minimum weekly wage required for non-qualifying jobs	\$662
Minimum annual wage required for non-qualifying jobs	\$34,438
Investment per Qualifying Job	\$52,030,000
Estimated M&O levy without any limit (15 years)	\$5,571,029
Estimated M&O levy with Limitation (15 years)	\$3,505,924
Estimated gross M&O tax benefit (15 years)	\$2,065,105

\* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of Ponte Alto Windpower, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	151	161	312	\$5,446,734	\$16,697,266	\$22,144,000
2023	1	13	13.628	\$39,384	\$2,741,616	\$2,781,000
2024	1	9	10	\$39,384	\$1,951,616	\$1,991,000
2025	1	1	2	\$39,384	\$1,075,616	\$1,115,000
2026	1	(3)	-2	\$39,384	\$537,616	\$577,000
2027	1	(4)	-3	\$39,384	\$245,616	\$285,000
2028	1	(4)	-3	\$39,384	\$128,616	\$168,000
2029	1	(2)	-1	\$39,384	\$128,616	\$168,000
2030	1	(1)	0	\$39,384	\$194,616	\$234,000
2031	1	0	1	\$39,384	\$291,616	\$331,000
2032	1	1	2	\$39,384	\$395,616	\$435,000
2033	1	2	3	\$39,384	\$470,616	\$510,000
2034	1	3	4	\$39,384	\$546,616	\$586,000
2035	1	3	4	\$39,384	\$609,616	\$649,000
2036	1	3	4	\$39,384	\$652,616	\$692,000
2037	1	3	4	\$39,384	\$678,616	\$718,000

Source: CPA REMI, Ponte Alto Windpower, LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	La Villa ISD I&S Tax Levy	La Villa ISD M&O Tax Levy	La Villa ISD M&O and I&S Tax Levies	Hidalgo County Tax Levy	South Texas College District Tax Levy	Estimated Total Property Taxes
				<b>0.3138</b>	<b>1.0500</b>		<b>0.5800</b>	<b>0.1780</b>	
2023	\$49,428,500	\$49,428,500		\$155,107	\$518,999	\$674,106	\$286,685	\$87,983	\$1,048,774
2024	\$46,957,075	\$46,957,075		\$147,351	\$493,049	\$640,401	\$272,351	\$83,584	\$996,335
2025	\$44,609,221	\$44,609,221		\$139,984	\$468,397	\$608,381	\$258,733	\$79,404	\$946,518
2026	\$42,378,760	\$42,378,760		\$132,985	\$444,977	\$577,962	\$245,797	\$75,434	\$899,193
2027	\$40,259,822	\$40,259,822		\$126,335	\$422,728	\$549,063	\$233,507	\$71,662	\$854,233
2028	\$38,246,831	\$38,246,831		\$120,019	\$401,592	\$521,610	\$221,832	\$68,079	\$811,521
2029	\$36,334,490	\$36,334,490		\$114,018	\$381,512	\$495,530	\$210,740	\$64,675	\$770,945
2030	\$34,517,765	\$34,517,765		\$108,317	\$362,437	\$470,753	\$200,203	\$61,442	\$732,398
2031	\$32,791,877	\$32,791,877		\$102,901	\$344,315	\$447,216	\$190,193	\$58,370	\$695,778
2032	\$31,152,283	\$31,152,283		\$97,756	\$327,099	\$424,855	\$180,683	\$55,451	\$660,989
2033	\$29,594,669	\$29,594,669		\$92,868	\$310,744	\$403,612	\$171,649	\$52,679	\$627,940
2034	\$28,114,935	\$28,114,935		\$88,225	\$295,207	\$383,431	\$163,067	\$50,045	\$596,543
2035	\$26,709,189	\$26,709,189		\$83,813	\$280,446	\$364,260	\$154,913	\$47,542	\$566,716
2036	\$25,373,729	\$25,373,729		\$79,623	\$266,424	\$346,047	\$147,168	\$45,165	\$538,380
2037	\$24,105,043	\$24,105,043		\$75,642	\$253,103	\$328,745	\$139,809	\$42,907	\$511,461
			<b>Total</b>	<b>\$1,664,942</b>	<b>\$5,571,029</b>	<b>\$7,235,971</b>	<b>\$3,077,330</b>	<b>\$944,422</b>	<b>\$11,257,723</b>

Source: CPA, Ponte Alto Windpower, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Hidalgo County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		La Villa ISD I&S Tax Levy	La Villa ISD M&O Tax Levy	La Villa ISD M&O and I&S Tax Levies	Hidalgo County Tax Levy	South Texas College District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	<b>0.3138</b>	<b>1.0500</b>		<b>0.5800</b>	<b>0.1780</b>	
2023	\$49,428,500	\$20,000,000		\$155,107	\$210,000	\$365,107	\$57,337	\$87,983	\$510,426
2024	\$46,957,075	\$20,000,000		\$147,351	\$210,000	\$357,351	\$54,470	\$83,584	\$495,405
2025	\$44,609,221	\$20,000,000		\$139,984	\$210,000	\$349,984	\$51,747	\$79,404	\$481,135
2026	\$42,378,760	\$20,000,000		\$132,985	\$210,000	\$342,985	\$49,159	\$75,434	\$467,578
2027	\$40,259,822	\$20,000,000		\$126,335	\$210,000	\$336,335	\$46,701	\$71,662	\$454,699
2028	\$38,246,831	\$20,000,000		\$120,019	\$210,000	\$330,019	\$44,366	\$68,079	\$442,464
2029	\$36,334,490	\$20,000,000		\$114,018	\$210,000	\$324,018	\$42,148	\$64,675	\$430,841
2030	\$34,517,765	\$20,000,000		\$108,317	\$210,000	\$318,317	\$40,041	\$61,442	\$419,799
2031	\$32,791,877	\$20,000,000		\$102,901	\$210,000	\$312,901	\$38,039	\$58,370	\$409,309
2032	\$31,152,283	\$20,000,000		\$97,756	\$210,000	\$307,756	\$36,137	\$55,451	\$399,344
2033	\$29,594,669	\$29,594,669		\$92,868	\$310,744	\$403,612	\$171,649	\$52,679	\$627,940
2034	\$28,114,935	\$28,114,935		\$88,225	\$295,207	\$383,431	\$163,067	\$50,045	\$596,543
2035	\$26,709,189	\$26,709,189		\$83,813	\$280,446	\$364,260	\$154,913	\$47,542	\$566,716
2036	\$25,373,729	\$25,373,729		\$79,623	\$266,424	\$346,047	\$147,168	\$45,165	\$538,380
2037	\$24,105,043	\$24,105,043		\$75,642	\$253,103	\$328,745	\$139,809	\$42,907	\$511,461
			<b>Total</b>	<b>\$1,664,942</b>	<b>\$3,505,924</b>	<b>\$5,170,866</b>	<b>\$1,236,751</b>	<b>\$944,422</b>	<b>\$7,352,039</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$2,065,105</b>	<b>\$2,065,105</b>	<b>\$1,840,580</b>	<b>\$0</b>	<b>\$3,905,684</b>
Assumes School Value Limitation and Tax Abatements with the County.									

Source: CPA, Ponte Alto Windpower, LLC

\*Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Ponte Alto Windpower, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$546,315	\$546,315	\$0	\$0
<b>Limitation Period (10 Years)</b>	2023	\$210,000	\$756,315	\$308,999	\$308,999
	2024	\$210,000	\$966,315	\$283,049	\$592,049
	2025	\$210,000	\$1,176,315	\$258,397	\$850,445
	2026	\$210,000	\$1,386,315	\$234,977	\$1,085,422
	2027	\$210,000	\$1,596,315	\$212,728	\$1,298,150
	2028	\$210,000	\$1,806,315	\$191,592	\$1,489,742
	2029	\$210,000	\$2,016,315	\$171,512	\$1,661,254
	2030	\$210,000	\$2,226,315	\$152,437	\$1,813,691
	2031	\$210,000	\$2,436,315	\$134,315	\$1,948,006
	2032	\$210,000	\$2,646,315	\$117,099	\$2,065,105
<b>Maintain Viable Presence (5 Years)</b>	2033	\$310,744	\$2,957,059	\$0	\$2,065,105
	2034	\$295,207	\$3,252,266	\$0	\$2,065,105
	2035	\$280,446	\$3,532,712	\$0	\$2,065,105
	2036	\$266,424	\$3,799,136	\$0	\$2,065,105
	2037	\$253,103	\$4,052,239	\$0	\$2,065,105
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2038	\$240,448	\$4,292,687	\$0	\$2,065,105
	2039	\$228,425	\$4,521,113	\$0	\$2,065,105
	2040	\$217,004	\$4,738,117	\$0	\$2,065,105
	2041	\$206,154	\$4,944,271	\$0	\$2,065,105
	2042	\$195,846	\$5,140,117	\$0	\$2,065,105
	2043	\$186,054	\$5,326,171	\$0	\$2,065,105
	2044	\$176,751	\$5,502,922	\$0	\$2,065,105
	2045	\$167,914	\$5,670,836	\$0	\$2,065,105
	2046	\$159,518	\$5,830,354	\$0	\$2,065,105
	2047	\$151,542	\$5,981,896	\$0	\$2,065,105

**\$5,981,896**

is greater than

**\$2,065,105**

<b>Analysis Summary</b>	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Ponte Alto Windpower, LLC

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## **Attachment C – Limitation as a Determining Factor**

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### **Methodology**

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

### **Determination**

The Comptroller has determined that the limitation on appraised value is a determining factor in the Ponte Alto Windpower LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Ponte Alto Windpower, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Ponte Alto Windpower, LLC was formed in 2019. In support of its creation, the participating members of Terra-Gen, executed documents necessary to form the entity including an Operating Agreement and a Development Agreement with Ponte Alto Windpower, LLC. Terra-Gen has entered into the following representative agreements and contracts for the development of a project specifically within La Villa ISD and intends to assign these assets to Ponte Alto Windpower, LLC: Grants of leases and easements covering approximately 3,000 acres, Avian Study and contract, Bat Acoustic Study and contract, Threatened & Endangered Species Studies and contract, Enterprise Zone with Hidalgo County Commissioners Court, Interconnection Application with ERCOT, and Federal Aviation Studies.”
  - B. “Yes. Terra-Gen management team is uniquely qualified to develop and construct wind and other renewable energy projects in the United States. In North America, Terra-Gen currently operates over 2,000 MW of renewable energy 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 WITHIN the State of Texas. Other locations being evaluated include, but are not limited to: California, Oklahoma, Louisiana, Colorado, Wyoming, and Nevada. For these reasons, Terra-Gen studies and evaluates various competing sites throughout the market areas across the U.S. where wind development is attractive. Without a Value Limitation program, Terra-Gen would seek to move to alternative sites outside of the State of Texas.”
  - C. “Ponte Alto is currently in a period of assessment to determine whether the identified site within Lyford CISD and La Villa ISD 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 Project for a planned

240 MW could be redeployed to other renewable energy development projects in other power markets in the United States.”

- D. “Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Ponte Alto Project will be unable to generate enough 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 \$268M needed to purchase wind turbines and other infrastructure, and to fund the construction of the facility.”
- E. “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 the Project.”
- According to a Special Meeting of the Board of Trustees of La Villa ISD dated June 24, 2019, “Discussion and possible Board action to accept the Application of Terra-Gen, LLC for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification.”
- Supplemental information provided by the applicant indicated the following:
  - A. “Formerly known as West Willacy Windpower, LLC”
  - B. “Yes, GINR Number: 19INR0023; Assigned: July 6, 2017.”

### **Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

# **Supporting Information**

**Section 8 of the Application for  
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur?  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur?  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site?  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?  Yes  No

**Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.**

# **Supporting Information**

Attachments provided in Tab 5  
of the Application for a  
Limitation on Appraised Value

## Attachment 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?**

Ponte Alto Windpower, LLC was formed in 2019. In support of its creation, the participating members of Terra-Gen, executed documents necessary to form the entity including an Operating Agreement and a Development Agreement with Ponte Alto Windpower, LLC.

Terra-Gen has entered into the following representative agreements and contracts for the development of a project specifically within La Villa ISD and intends to assign these assets to Ponte Alto Windpower, LLC:

- Grants of leases and easements covering approximately 3,000 acres,
- Avian Study and contract,
- Bat Acoustic Study and contract,
- Threatened & Endangered Species Studies and contract,
- Enterprise Zone with Hidalgo County Commissioners Court
- Interconnection Application with ERCOT
- Federal Aviation Studies

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

Yes. Terra-Gen management team is uniquely qualified to develop and construct wind and other renewable energy projects in the United States. In North America, Terra-Gen currently operates over 2,000 MW of renewable energy 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 WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

California  
Oklahoma  
Louisiana  
Colorado  
Wyoming  
Nevada

For these reasons, Terra-Gen studies and evaluates various competing sites throughout the market areas across the U.S. where wind development is attractive. Without a Value Limitation program, Terra-Gen would seek to move to alternative sites outside of the State of Texas.

Ponte Alto is currently in a period of assessment to determine whether the identified site within Lyford CISD and La Villa ISD 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 Project for a planned 240 MW 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 economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Ponte Alto 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 \$268M needed to purchase wind turbines 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 the Project.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

# Agenda of Special Meeting

## The Board of Trustees La Villa ISD



A Special Meeting of the Board of Trustees of La Villa ISD will be held June 24, 2019, beginning at 6:30 PM in the La Villa Multi-Purpose Center, located at 500 E. 9th Street La Villa, TX 78562.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice..

### A. CALL MEETING TO ORDER

1. Pledge of Allegiance
2. Prayer
3. Roll Call
4. Public Audience
5. District Recognitions
6. Approval of School Board Meeting Minutes
  - a. Regular School Board Meeting Minutes of May 13, 2019
  - b. Special School Board Meeting Minutes of May 20, 2019

### B. INSTRUCTION AND CURRICULUM

1. Campus Reports
  - a. Academic Progress
  - b. Attendance
  - c. STAAR/EOC Results/Plans
  - d. Upcoming Events

### C. CONSENT AGENDA

*Policy BE (Local) states that the consent agenda shall include items of routine and/or recurring nature grouped together under one action item. All such items shall be acted upon by one vote without separate discussion, unless a Board Member requests that an item be withdrawn for individual consideration. The remaining items shall be adopted under a single motion and vote.*

1. District Expense Report for the Month of May 2019
2. Comparison of Revenues to Budget Report-Information Item Only
3. Tax Report for the month of April 2019-Information Item Only
4. Investments by Fund Report-Information Item Only

5. Approval of Functional Budget Amendments
6. Approval of MOU for LVECHS and STC
7. Approval of agreement with Region One ESC for SubHub Services
8. Approval of MOU with Hidalgo County JJAEP
9. Approval of updated 2019-2020 School Calendar
10. Approval of Auxiliary School Calendar 2019-2020
11. Approval of Updated Summer Hours

**D. FINANCE-BUDGET**

1. Approval to hire Financial Auditor to audit the 2018-2019 fiscal year.
2. Approval of Corporate Resolution for New Bank Accounts with Texas National Bank

**E. SUPERINTENDENT'S REPORT**

**Discussion and action on the following:**

1. Discussion and possible Board action to accept the Application of Terra-Gen, LLC for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification.
2. Discussion and possible Board action to retain consultants to assist the District in processing of Application for Appraised Value Limitation on Qualified Property from Terra-Gen, LLC.
3. Approval of TASB Localized Policy Manual Update 113
4. Approval to purchase laptops and carts for La Villa Early College High School, La Villa Middle School, and Jose B. Munoz Elementary.
5. Approval of stall partitions at La Villa Early College High School and stadium restrooms.
6. Approval of Football and Volleyball Equipment for school year 2019-2020 with Vendor: Cardinal Sports

**F. EXECUTIVE SESSION (CLOSED TO PUBLIC)**

*Adjournment to closed or executive session pursuant to Texas Government Code Sections 551.071, 551.072, 551.073, 551.074, 551.075, 551.076, 551.082, 551.083, 551.084, and the Texas Open Meetings Act.*

1. Approval of Non-Chapter 21 contracts for administrators and professionals
  - a. Chief Financial Officer
  - b. Director of Maintenance/Operations
  - c. Food Service Director
  - d. Accountant

## **G. RECONVENE IN OPEN MEETING**

1. Approval of Non-Chapter 21 contracts for administrators and professionals
  - a. Chief Financial Officer
  - b. Director of Maintenance/Operations
  - c. Food Service Director
  - d. Accountant

## **H. ADJOURNMENT**

Agenda Items may be considered, deliberated and/or acted upon in a different order than numbered above. The Board of Trustees of the La Villa Independent School District reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the items listed on this agenda as authorized by the Texas Open Meetings Act. No action will be taken in Executive Session.

Public Input Policy: "During the meeting, the La Villa ISD will allow for an open public forum/ comment period. This comment period shall not exceed one- half hour (1/2) hour in length and each speaker will be allowed a maximum of five (5) minutes to speak. All individuals desiring to address the La Villa ISD must sign up to do so, prior to the open comment period. The purpose of this comment period is to provide the public an opportunity to address issues or topics that are under the jurisdiction of the La Villa ISD. For issues or topics which are not otherwise part of the posted agenda for the meeting, members may direct staff to investigate the issue or topic further. No action or discussion shall be taken on the issues or topics which are not part of the posted agenda for the meeting.

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*Alejos Salazar Jr.*  
Superintendent of Schools

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
- La Villa ISD - Ponte Alto Windpower, LLC, App. #1423

Comptroller Questions (via email on October 22, 2019):

1. *Please list any other names by which this project may have known in the past--in media reports, investor presentations, or any listings with any federal or state agency.*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned.*

Applicant Response (via email on October 23, 2019):

1. *Yes, formerly known as West Willacy Windpower, LLC.*
2. *GINR Number is 19INR0023; Assigned July 6, 2017.*