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September 20, 2019

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Application to the Columbia-Brazoria Independent School District from TX Gulf Solar I LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Columbia-Brazoria Independent School District is notifying TX Gulf Solar I LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. Please prepare the Economic Impact Report.

The Applicant submitted the Application to the school district on September 17, 2019. The Board voted to accept the application on September 17, 2019. The application has been determined complete as of September 20, 2019. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered.

A copy of the application will be submitted to the Brazoria County Appraisal District.

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Brazoria County Appraisal District
TX Gulf Solar I LLC

TX GULF SOLAR 1 LLC

**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO COLUMBIA-BRAZORIA ISD**

Comptroller

TAB 1

Pages 1 through 7 of application.

Application for Appraised Value Limitation on Qualified Property

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

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

Date Application Received by District _____

First Name _____

Last Name _____

Title _____

School District Name _____

Street Address _____

Mailing Address _____

City _____

State _____

ZIP _____

Phone Number _____

Fax Number _____

Mobile Number (optional) _____

Email Address _____

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

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

<u>Dan</u> First Name	<u>Casey</u> Last Name
<u>Partner</u> Title	
<u>Moak Casey and Associates LLP</u> Firm Name	
<u>512-485-7878</u> Phone Number	<u>512-485-7888</u> Fax Number
	<u>dcasey@moakcasey.com</u> Email Address
<u>Mobile Number (optional)</u>	

4. On what date did the district determine this application complete? September 20, 2019
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>Andrew</u> First Name	<u>Murray</u> Last Name
<u>Authorized Signatory</u> Title	<u>TX Gulf Solar 1 LLC</u> Organization
<u>1088 Sansome Street</u> Street Address	
<u>1088 Sansome Street</u> Mailing Address	
<u>San Francisco</u> City	<u>CA</u> State
<u>415-283-4000</u> Phone Number	<u>94111</u> ZIP
	<u>415-362-7900</u> Fax Number
<u>Mobile Number (optional)</u>	<u>generalcounsel@patternenergy.com</u> Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No
- 2a. If yes, please fill out contact information for that person.

<u>Kevin</u> First Name	<u>Wetzel</u> Last Name
<u>Senior Manager, Project Development</u> Title	<u>Pattern Energy Group 2 LP</u> Organization
<u>1088 Sansome St</u> Street Address	
<u>1088 Sansome St</u> Mailing Address	
<u>San Francisco</u> City	<u>CA</u> State
<u>415-670-5227</u> Phone Number	<u>94111</u> ZIP
	<u>Fax Number</u>
<u>Mobile Number (optional)</u>	<u>kevin.wetzel@patternenergy.com</u> Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Steven _____ Van Dyck _____
 First Name Last Name
 Consultant _____
 Title _____
 Cummings Westlake LLC _____
 Firm Name _____
 713-266-4456 _____ 713-266-2333 _____
 Phone Number Fax Number
 svandyck@cwlp.net _____
 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.
- 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? _____ TX Gulf Solar 1 LLC
- List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____ 32065449046
- 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 Corporation
- 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 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

1. Application approval by school board February 2020
2. Commencement of construction Q2 2021
3. Beginning of qualifying time period June 1, 2021
4. First year of limitation January 1, 2023
5. Begin hiring new employees December 2022
6. Commencement of commercial operations December 2022
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? December 2022

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Brazoria County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Brazoria CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Brazoria County; 100%; .367914 City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: W Brazoria Ct Drainage Dist; 100%; .0200
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): See Tab 6 Other (describe): See Tab 6
(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/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

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

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

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

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2019
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 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 1,138.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 2,465.38
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,309.61
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? 68,100.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 68,100.00
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**.

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$75,000 application fee paid to Columbia-Brazoria ISD.

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

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

TAB 3

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

Not Applicable

TAB 4

Detailed Description of the Project

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

Pattern Energy Group 2 LP is requesting an appraised value limitation from Columbia-Brazoria Independent School District (ISD) for TX Solar Gulf 1 LLC's solar project (the "Project") a proposed solar powered electric generating facility in Brazoria County. The proposed Columbia-Brazoria ISD Project (this application) will be constructed within a Brazoria County Solar Reinvestment Zone that will be established by Brazoria County Commissioners Court in September 2019. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a total capacity of 100 MWac located in Brazoria County. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of solar panels will vary depending upon the panels and inverters selected, manufacturer's availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed. While exact equipment suppliers have not yet been chosen, the project will utilize top tier suppliers with proven track records and quality standards. The proposed project will include, but is not limited to, the following types of equipment, as is standard with utility scale solar projects:

- Solar modules/panels;
- Racking, mounting, and tracking structures;
- Inverters boxes;
- Combiner boxes;
- Meteorological equipment;
- Piles and/or foundations;
- Equipment/storage shed;
- Roadways, paving and fencing;
- Collection system;
- Electrical substations and switchyards;
- Generation transmission tie line and associated towers, and interconnection facilities.

TAB 5

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

Pattern Energy Group 2 LP (Pattern Development) is a leading U.S.-based independent renewable energy developer with nearly 8,900MW of generating capacity pipeline across United States, Canada, Mexico, and Japan. Pattern Development's highly-experienced team has brought more than 5,500 MW of wind power to market, with 360 MW additional operational capacity being added in 2018

Pattern Development's affiliate company, Pattern Energy Group Inc. (PEG), (NASDAQ: PEGI and TSX: PEG) is an independent power company with 20 renewable energy facilities with an operating fleet capacity of +3,500 MW.

PEG produces all of its electricity from clean and renewable sources, including wind and solar. PEG has a strong commitment to delivering the highest value for its partners and the communities where we work while promoting environmental stewardship and corporate responsibility. PEG has a long-term commitment to both wind and solar with an outlook to significantly expand its fleet of clean energy generating capacity.

Pattern Development is keen to develop and build the proposed for TX Solar Gulf 1 LLC's solar farm project (the "Project") as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Pattern Development is active in states throughout the central and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. Pattern Development has over 50 wind and solar sites in development throughout the country and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Pattern Development currently has ongoing project developments in many states, including but not limited to, New Mexico, Illinois, Ohio, Montana, Texas, Colorado, Georgia, California, Arizona, Pennsylvania and South Dakota.

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A

competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Applicant has not entered into any agreements, contracts, or letters of intent related to the proposed project except that Applicant has entered into an option to lease the proposed project site from the current landowner.

Applicant submitted an application to ERCOT for the project and received a GINR number of 20INR0248 and was received in February of 2019.

TAB 6

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

<u>JURISDICTION</u>	<u>2018 TAX RATE</u>	<u>DISTRICT %</u>
1) Brazoria County	\$.367914	100%
2) Columbia-Brazoria ISD	\$1.258059	100%
3) West Brazoria Cty Drainage Dist. #11	\$.020000	100%
4) Brazoria County Emergency #1	\$.079114	100%
5) Brazoria County Emergency #2	\$.084704	100%
6) Port Freeport	\$.040000	100%
7) Road and Bridge Fund	\$.060000	100%

TAB 7

Description of Qualified Investment

TX Gulf Solar 1 LLC plans to construct a 100 MW solar farm in Brazoria County.

This application covers all qualified property within Columbia-Brazoria ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. All panels will be located in Columbia-Brazoria ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using 343,000 modules and 115 inverters.

This application covers all qualified investment and qualified property necessary for the commercial operations of the solar farm.

Qualified Investment and qualified property include, but is not limited to, collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, foundations, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, Equipment/storage shed, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities and control systems necessary for commercial generation of electricity.

TAB 8

Description of Qualified Property

TX Gulf Solar 1 LLC plans to construct a 100 MW solar farm in Brazoria County.

This application covers all qualified property within Columbia-Brazoria ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. All panels will be located in Columbia-Brazoria ISD. Panel placement is subject to change but for purposes of this application, the Project anticipates using 343,000 modules and 115 inverters.

This application covers all qualified investment and qualified property necessary for the commercial operations of the solar farm.

Qualified Investment and qualified property include, but is not limited to, collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, foundations, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, Equipment/storage shed, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities and control systems necessary for commercial generation of electricity.

TAB 9

Description of Land

Not Applicable

TAB 10

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

Not Applicable

TAB 11

Maps that clearly show:

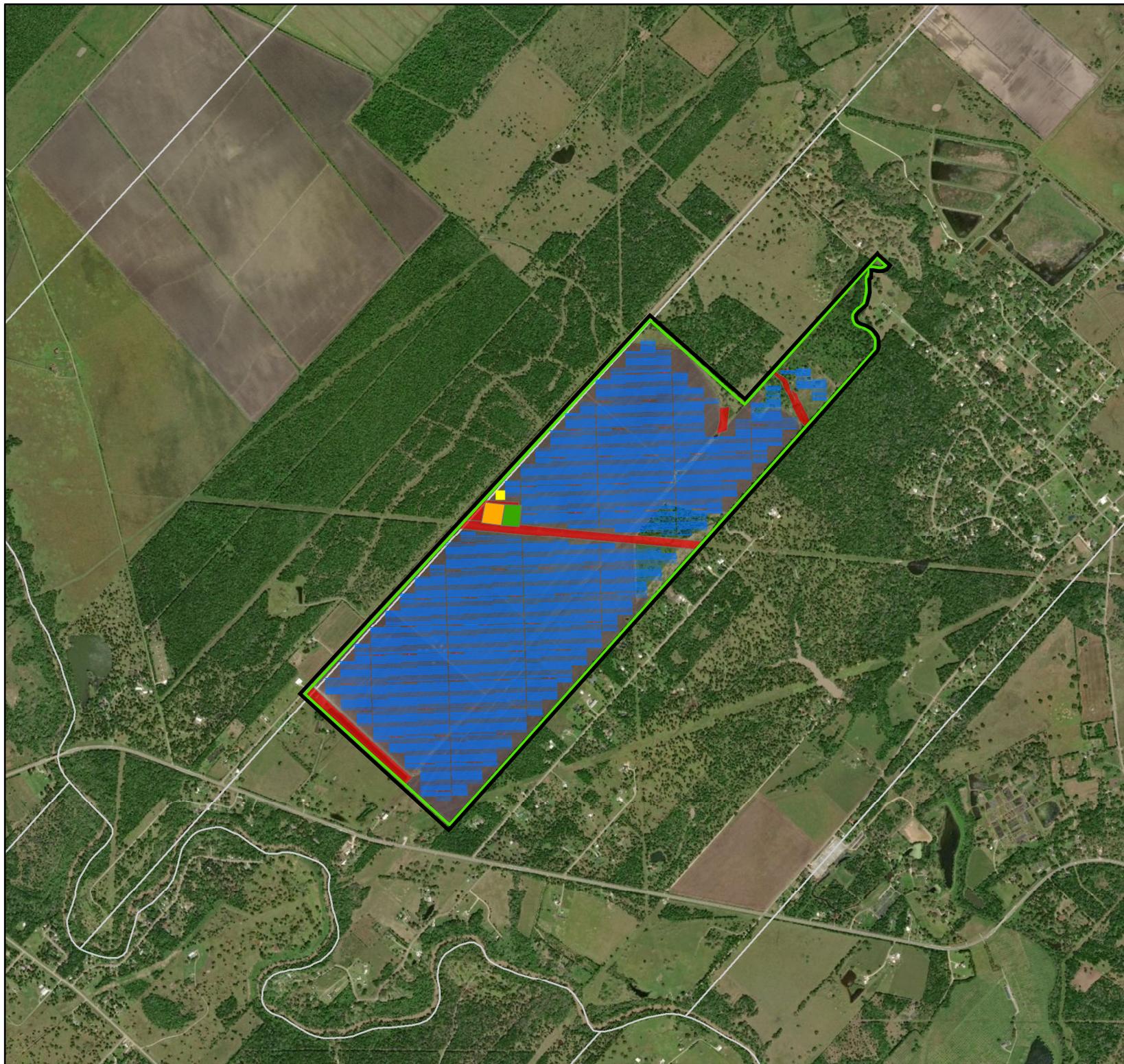
- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

Second Division Solar

BRAZORIA COUNTY,
TEXAS

PROJECT LAYOUT

HORAK,
DUSTIN T., RODNEY J., & KEVIN J.
APPROX. 700 ACRES



- Storage Shed
- Project BOUNDARY
- SWITCHYARD 2.7 AC.
- SUBSTATION 2.4 AC.
- XFMRs
- EXCLUSION ZONES 37.5 AC
- RACKS & PANELS
- TEXAS LAND SURVEY
- Proposed Reinvestment Zone Boundary

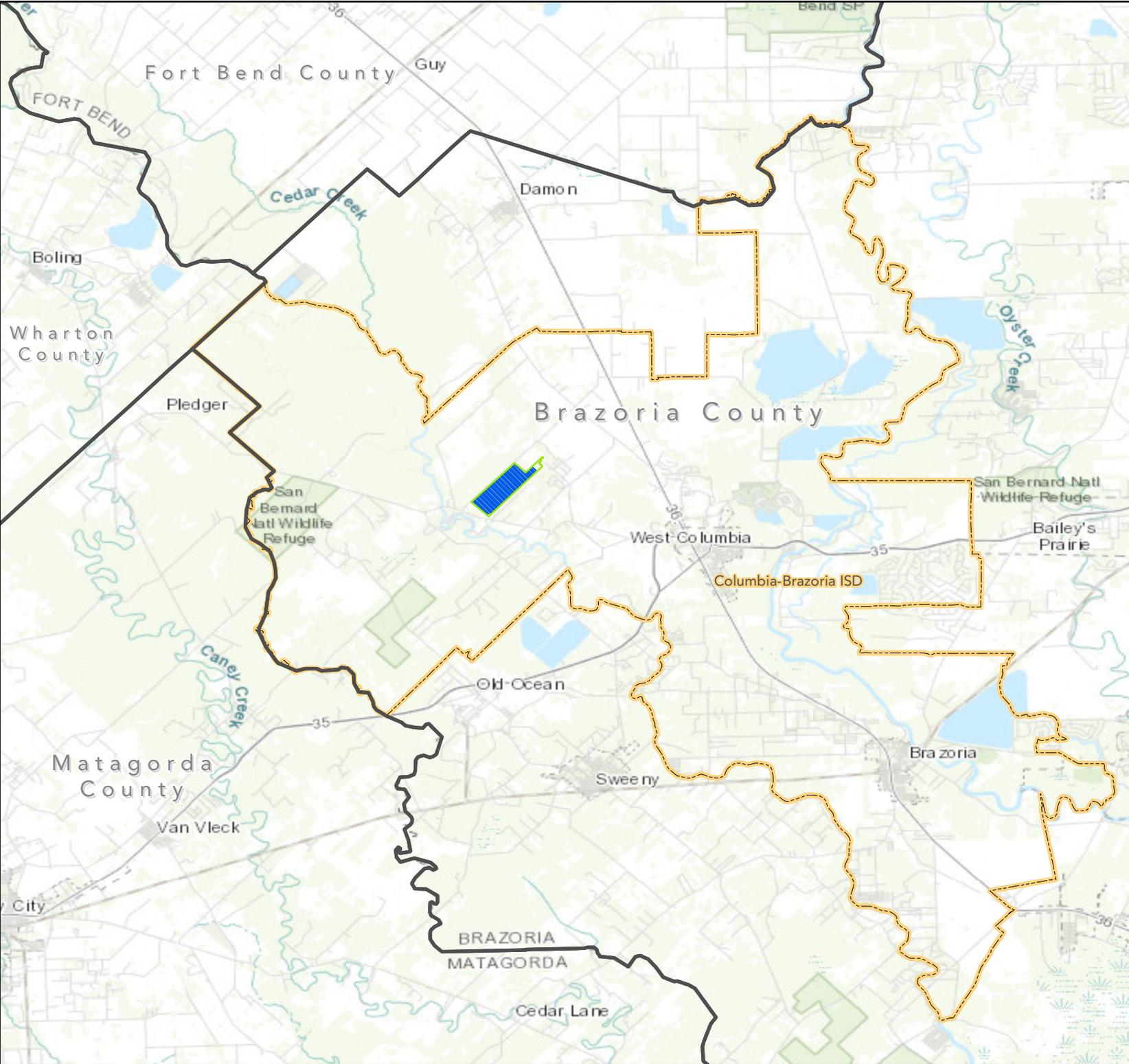


Date: 8/27/2019

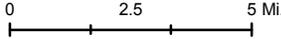
Second Division Solar

BRAZORIA COUNTY, TEXAS

VICINITY MAP



-  PROJECT AREA & REINVESTMENT ZONE
-  COUNTY BOUNDARY
-  SCHOOL DISTRICT BOUNDARY



Date: 8/27/2019

TAB 12

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

See Attached



CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

August 2, 2019

Ms. Steven Galloway
Columbia-Brazoria Independent School District
520 S. 16th Street
West Columbia, Tx 77486

Re: Chapter 313 Job Waiver Request

Dear Mr. Galloway,

TX Gulf Solar 1 LLC requests that the Columbia-Brazoria Independent School District of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

TX Gulf Solar 1 LLC requests that the Columbia-Brazoria Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, TX Gulf Solar 1 LLC has committed to create 2 total jobs for the project which will be in Columbia-Brazoria Independent School District.

Solar projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The number of jobs committed to in this application is in line with the industry standards for a project this size. This is evidenced by previously filed limitation agreement applications by solar developers who also requested a waiver of job requirements. In addition, there are educational materials and other documentation that also suggest that TX Gulf Solar 1 LLC has the appropriate number of jobs for this project at one permanent job per 75MW – 100MW of installed capacity. The permanent employees of a solar project maintain, and service solar panels, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,

Steven Van Dyck
Consultant

12837 Louetta Road, Suite 201 | Cypress, Texas 77429-5611

P: 713.266.4456 W: cwlp.net

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Brazoria County average weekly wage for all jobs (all industries)
- Brazoria County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

**TX GULF SOLAR 1 LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**BRAZORIA COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2019	\$ 1,211	\$ 62,972
SECOND	2018	\$ 1,097	\$ 57,044
THIRD	2018	\$ 1,100	\$ 57,200
FOURTH	2018	\$ 1,147	\$ 59,644
AVERAGE		\$ 1,138.75	\$ 59,215

**BRAZORIA COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2019	\$ 2,666	\$ 138,632
SECOND	2018	\$ 2,108	\$ 109,616
THIRD	2018	\$ 2,077	\$ 108,004
FOURTH	2018	\$ 2,114	\$ 109,928
AVERAGE		\$ 2,241	\$ 116,545
X		110%	110%
		\$ 2,465.38	\$ 128,199.50

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
HOUSTON-GALVESTON	2018	\$ 1,191	\$ 61,909
X		110%	110%
		\$ 1,309.61	\$ 68,100

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	02	Brazoria	Private	31-33	Manufacturing	2,108
2018	03	Brazoria	Private	31-33	Manufacturing	2,077
2018	04	Brazoria	Private	31-33	Manufacturing	2,114
2019	01	Brazoria	Private	31-33	Manufacturing	2,666

Quarterly Employment and Wages (QCEW)

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	02	Brazoria	Total All	10	Total, All Industries	1,097
2018	03	Brazoria	Total All	10	Total, All Industries	1,100
2018	04	Brazoria	Total All	10	Total, All Industries	1,147
2019	01	Brazoria	Total All	10	Total, All Industries	1,211

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

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

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

Data published: July 2019

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

Annual wage figure assumes a 40-hour work week.

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

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

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

TAB 14

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

See attached Schedules A1, A2, B, C and D

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

Date **9/17/2019**
 Applicant Name **TX GULF SOLAR 1 LLC**
 ISD Name **COLUMBIA-BRAZORIA ISD**

Form 50-296A
 Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--			Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application			2020	0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0	0	0	0	0
	Deferral	2021-2022	2021	60,000,000	0	0	0	60,000,000
Complete tax years of qualifying time period	QTP1	2022-2023	2022	29,900,000	100,000	0	0	30,000,000
	QTP2	2023-2024	2023	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				89,900,000	100,000	0	0	90,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				90,000,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		89,900,000	100,000	0	0	90,000,000
Enter amounts from TOTAL row in Schedule A1 in the row below								
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2022-2023	2022	0	0	0	0	0
Value limitation period***	1	2023-2024	2023	0	0	0	0	0
	2	2024-2025	2024	0	0	0	0	0
	3	2025-2026	2025	0	0	0	0	0
	4	2026-2027	2026	0	0	0	0	0
	5	2027-2028	2027	0	0	0	0	0
	6	2028-2029	2028	0	0	0	0	0
	7	2029-2030	2029	0	0	0	0	0
	8	2030-2031	2030	0	0	0	0	0
	9	2031-2032	2031	0	0	0	0	0
	10	2032-2033	2032	0	0	0	0	0
Total Investment made through limitation				89,900,000	100,000	0	0	90,000,000
Continue to maintain viable presence	11	2033-2034	2033			0		0
	12	2034-2035	2034			0		0
	13	2035-2036	2035			0		0
	14	2036-2037	2036			0		0
	15	2037-2038	2037			0		0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038			0		0
	17	2039-2040	2039			0		0
	18	2040-2041	2040			0		0
	19	2041-2042	2041			0		0
	20	2042-2043	2042			0		0
	21	2043-2044	2043			0		0
	22	2044-2045	2044			0		0
	23	2045-2046	2045			0		0
	24	2046-2047	2046			0		0
	25	2047-2048	2047			0		0

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

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

Date **9/17/2019**
 Applicant Name **TX GULF SOLAR 1 LLC**
 ISD Name **COLUMBIA-BRAZORIA ISD**

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022		0	30,000,000	30,000,000	30,000,000	30,000,000
Value Limitation Period	1	2023-2024	2023	0	100,000	58,653,000	58,753,000	58,753,000	30,000,000
	2	2024-2025	2024	0	97,500	53,953,200	54,050,700	54,050,700	30,000,000
	3	2025-2026	2025	0	95,100	48,881,700	48,976,800	48,976,800	30,000,000
	4	2026-2027	2026	0	92,700	43,400,700	43,493,400	43,493,400	30,000,000
	5	2027-2028	2027	0	90,400	37,485,000	37,575,400	37,575,400	30,000,000
	6	2028-2029	2028	0	88,100	31,096,800	31,184,900	31,184,900	30,000,000
	7	2029-2030	2029	0	85,900	24,198,300	24,284,200	24,284,200	24,284,200
	8	2030-2031	2030	0	83,800	16,745,400	16,829,200	16,829,200	16,829,200
	9	2031-2032	2031	0	81,700	12,600,000	12,681,700	12,681,700	12,681,700
	10	2032-2033	2032	0	79,700	12,600,000	12,679,700	12,679,700	12,679,700
Continue to maintain viable presence	11	2033-2034	2033	0	77,700	12,600,000	12,677,700	12,677,700	12,677,700
	12	2034-2035	2034	0	75,800	12,600,000	12,675,800	12,675,800	12,675,800
	13	2035-2036	2035	0	73,900	12,600,000	12,673,900	12,673,900	12,673,900
	14	2036-2037	2036	0	72,100	12,600,000	12,672,100	12,672,100	12,672,100
	15	2037-2038	2037	0	70,300	12,600,000	12,670,300	12,670,300	12,670,300
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038	0	68,500	12,600,000	12,668,500	12,668,500	12,668,500
	17	2039-2040	2039	0	66,800	12,600,000	12,666,800	12,666,800	12,666,800
	18	2040-2041	2040	0	65,100	12,600,000	12,665,100	12,665,100	12,665,100
	19	2041-2042	2041	0	63,500	12,600,000	12,663,500	12,663,500	12,663,500
	20	2042-2043	2042	0	61,900	12,600,000	12,661,900	12,661,900	12,661,900
	21	2043-2044	2043	0	60,400	11,970,000	12,030,400	12,030,400	12,030,400
	22	2044-2045	2044	0	58,900	11,970,000	12,028,900	12,028,900	12,028,900
	23	2045-2046	2045	0	57,400	11,970,000	12,027,400	12,027,400	12,027,400
	24	2046-2047	2046	0	56,000	11,970,000	12,026,000	12,026,000	12,026,000
	25	2047-2048	2047	0	54,600	11,970,000	12,024,600	12,024,600	12,024,600

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
 Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date **9/17/2019**
 Applicant Name **TX GULF SOLAR 1 LLC**
 ISD Name **COLUMBIA-BRAZORIA 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	2021-2022	2021	125 FTE	65,000	0	0	0
	0	2022-2023	2022	125 FTE	65,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2023-2024	2023	N/A	N/A	0	2	68,100
	2	2024-2025	2024	N/A	N/A	0	2	68,100
	3	2025-2026	2025	N/A	N/A	0	2	68,100
	4	2026-2027	2026	N/A	N/A	0	2	68,100
	5	2027-2028	2027	N/A	N/A	0	2	68,100
	6	2028-2029	2028	N/A	N/A	0	2	68,100
	7	2029-2030	2029	N/A	N/A	0	2	68,100
	8	2030-2031	2030	N/A	N/A	0	2	68,100
	9	2031-2032	2031	N/A	N/A	0	2	68,100
10	2032-2033	2032	N/A	N/A	0	2	68,100	
Years Following Value Limitation Period	11 through 25	2033-2048	2033-2047	N/A	N/A	0	2	68,100

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) Yes No
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date 9/17/2019
Applicant Name TX GULF SOLAR 1 LLC
ISD Name COLUMBIA-BRAZORIA ISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County:					
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Local Government Code Chapters 380/381	County: Brazoria	2023	7	ANNUAL AVG - \$156,793	SEE BELOW	ANNUAL AVG - \$30,166
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				\$ 156,693		\$ 30,166

Additional information on incentives for this project:

Brazoria County Terms: TX Gulf Solar 1 LLC has applied for a 381 agreement the terms are 100% for years 1/2/3 75% for year 4 and 50% for years 5/6/7

TAB 15

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

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16a) Not Applicable

16b) See Attached

16c) To be established by Brazoria County Commissioners Court at a later date

16d) Brazoria County Guidelines and Criteria attached

Exhibit A

Legal Description of the Property

Tract 1: 433.9764 Acres

433.9764 acres of land out of a called 968.36 acre tract in the Jessie Thompson League, Abstract No. 132, said 968.36 acre tract being recorded in Volume 426, Page 332, of the Deed Records of Brazoria County, Texas, described by metes and bounds as follows:

BEGINNING at an iron rod on the southerly right-of-way line of County Road No. 5, said iron rod also being located N 47 degrees 00' 34.4" W 1829.22 ft., N 45 degrees 03' 05.8" W 2128.93 ft. and S 44 degrees 16' 21.7" W 3787.43 ft. from an iron pipe on the easterly corner of a called 388.88 acre tract, as recorded in Volume 620, Page 514, of the Deed Records of Brazoria County, Texas;

THENCE S 44 degrees 26' 13" W along the southerly right-of-way line of County Road No. 5 for a distance of 8089.21 ft. to an iron rod for a corner;

THENCE S 45 degrees 49' 53.9" E for a distance of 2284.39 ft. to an iron rod for a corner;

THENCE N 43 degrees 48' 58.7" E for a distance of 8421.19 ft. to an iron rod for a corner;

THENCE N 37 degrees 43' 47" W for a distance of 1438.58 ft. to an iron rod for a corner;

THENCE N 01 degree 17' 03.1" W for a distance of 921.51 ft. to the place of beginning containing 433.9764 acres of land, more or less.

Tract 2 259.357 Acres

FIELD NOTES FOR A 259.3570 ACRE TRACT OF LAND IN THE JESSE THOMPSON LEAGUE, ABSTRACT 132, BRAZORIA COUNTY, TEXAS, SAID 259.3570 ACRE TRACT BEING A PART OF A CALLED 300 ACRE TRACT BEING IN DEED TO MYRVIN GIFFORD AND DENNIS RAY GIFFORD BY VIRTUE OF HEIRSHIP AFFIDAVIT RECORDED IN VOLUME 698, PAGE 387, OFFICIAL RECORDS, BRAZORIA COUNTY, TEXAS. THE BASE BEARING FOR THE HEREIN DESCRIBED TRACT IS THE NORTHWEST LINE OF AN ADJOINING CALLED 110.7350 ACRE TRACT IN DEED TO LETITIA C. WOODWARD, RECORDED UNDER COUNTY CLERK'S FILE NO. 00-014008, OFFICE OF THE COUNTY CLERK, BRAZORIA COUNTY, TEXAS, SAID BEARING BEING NORTH 43 DEGREES 19 MINUTES 40 SECONDS EAST, SAME BEING A SOUTHEAST LINE OF THE HEREIN DESCRIBED 259.3570 ACRE TRACT;

COMMENCING at a 3/4 inch iron pipe found on the northerly right-of-way line of F.M. Highway 1301 being on the original southeast line of the aforementioned called 300 acre tract and being a west corner of an adjoining called 5.9152 acre tract in deed to Janis Faye Rhodes Maxey, recorded in Volume (85)316, Page 922, Official Records, Brazoria County, Texas, and also along the northwest line of an adjoining residue of a called 10.00 acre tract in deed to William Burl Jacob, recorded in Volume (85)175, Page 606, Official Records, Brazoria County, Texas;

THENCE North 43 degrees 17 minutes 54 seconds East along said line for a distance of 515.52 feet to a 1/2 inch iron pipe with cap marked "Kalkomey Surveying" set on said line for the south corner and Place of Beginning of the herein described 259.3570 acre tract of land;

THENCE North 43 degrees 17 minutes 54 seconds East along the southeast line of the herein described 259.3570 acre tract, being a northwest line of the adjoining William Burl Jacobs residue of a called 10.00 acre tract, recorded in Volume (85)175, Page 606, Official Records, Brazoria County, Texas, the northwest line of the Kenneth Higginbotham, et ux, called 5.00 acre tract, recorded in Volume (91) 961, Page 876, Official Records, Brazoria County, Texas, the northwest line of the Donna Bryington called 2.50 acre tract, recorded in Volume 1765, Page 424, Deed Records, Brazoria County, Texas, the northwest line of the Lamar Jordan residue of a called 5.0 acre tract, recorded in Volume 1500, Page 220, Deed Records, Brazoria County, Texas, the northwest line of the Tim O'Neil, et ux, called 5.00 acre tract, recorded under County Clerk's File No. 97-009717, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Marvin Lee Williams called 2.50 acre tract, recorded under County Clerk's File No. 98-003913, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Sandra Lynn Bullard called 2.50 acre tract, recorded under Volume 1416, Page 801, Deed Records, Brazoria County, Texas, the northwest line of the Chester Allen Johnson called 5.00 acre tract, recorded under County Clerk's File No. 98-018242, Office of the County Clerk, Brazoria County, Texas, for a distance of 2,333.02 feet to a 3/4 inch iron pipe found on said line for an angle point, being the north corner of the aforementioned Chester A. Johnson called 5.00 acre tract and being the west corner of the adjoining Charles E. Tielke, et ux, called 5.00 acre tract, recorded in Volume 1287, Page 176, Deed Records, Brazoria County, Texas;

THENCE North 43 degrees 21 minutes 40 seconds East along the southeast line of the herein described tract being the northwest line of the aforementioned adjoining Dennis E. Tielke called 5.00 acre tract, the northwest line of the

FIELD NOTES 259.3570 ACRE TRACT (CONT'D.)**PAGE 2**

Denis A. Kiefert, et ux, called 5.0012 acre tract, recorded under County Clerk's File No. 96-000439, Office of the County Clerk, Brazoria County, Texas, the northwest line of the DeNey's Inc., called 4.98 acre tract, recorded under County Clerk's File No. 96-000250, Office of the County Clerk, Brazoria County, Texas, the northwest line of the William B. Grant, et ux, called 5.000 acre tract, recorded under County Clerk's File No. 00-013833, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Larry L. Lincombe called 2.50 acre tract (2nd Tract), recorded in Volume 1334, Page 618, Deed Records, Brazoria County, Texas, the northwest line of the Joseph E. Meche called 2.50 acre tract (1st Tract), recorded in Volume 1334, Page 618, Deed Records, Brazoria County, Texas, the northwest line of the Carl David Gates, Jr., et ux, called 5.00 acre tract (Tract 1), recorded under County Clerk's File No. 94-031726, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Carl David Gates, Jr., et ux, called 5.00 acre tract (Tract 2), recorded under County Clerk's File No. 94-031726, Office of the County Clerk, Brazoria County, Texas, for a total distance of 2,357.61 feet to a ½ inch iron pipe found on said line at the north corner of said called 5.00 acre tract for an angle point, same being the west corner of the adjoining Horace Addison Dudley, et ux, called 10.00 acre tract, recorded in Volume 1558, Page 14, Deed Records, Brazoria County, Texas;

THENCE North 43 degrees 14 minutes 31 seconds East along the southeast line of the herein described tract, being the northwest line of the aforementioned adjoining Horace Addison Dudley called 10.00 acre tract, the northwest line of the Albert E. Burks, Jr., called 3.00 acre tract, recorded in Volume (88) 564, Page 799, Official Records, Brazoria County, Texas, the northwest line of the B.R. Gable, et ux, called 3.00 acre tract, recorded in Volume (85) 217, Page 463, Official Records, Brazoria County, Texas, the northwest line of the Michael L. Heinen called 3.00 acre tract, recorded under County Clerk's File No. 96-038886, Office of the County Clerk, Brazoria County, Texas, the northwest line of the Richard L. Palat, et ux, called 3.000 acre tract, recorded under County Clerk's File No. 97-002549, Office of the County Clerk, Brazoria County, Texas, and the northwest line of the Keith Joseph Davidson, et ux, called 3.00 acre tract, recorded under County Clerk's File No. 95-033207, Office of the County Clerk, Brazoria County, Texas, for a total distance of 1,633.12 feet to a ½ inch iron pipe with cap marked "Kalkomey Surveying" found at the north corner of said called 3.00 acre tract, same being the west corner of the adjoining G. Steven Dawson called 50.00 acres tract, recorded under County Clerk's File No. 99-006764, Office of the County Clerk, Brazoria County, Texas;

THENCE North 43 degrees 21 minutes 01 seconds East along the southeast line of the herein described tract, being the northwest line of the aforementioned adjoining G. Steven Dawson called 50.00 acre tract, for a distance of 1,726.15 feet to a ½ inch iron pipe found at the north corner of said 50.00 acre tract for an angle point, same being the upper west corner of the adjoining Letitia C. Woodward called 110.7350 acre tract, recorded under County Clerk's File No. 00-014008, Office of the County Clerk, Brazoria County, Texas;

THENCE North 43 degrees 19 minutes 40 seconds East along the northwest line of said called 110.7350 acre tract, being the southeast line of the herein described 259.3570 acre tract, at 2,694.34 feet pass a ½ inch iron pipe found on said line at the upper bank of Mound Creek and continuing for a total distance of 2,740.94 feet to a point in the centerline of Mound Creek for the most easterly corner of the herein described 259.3570 acre tract, same being the north corner of the aforementioned adjoining 110.7350 acre tract, said point also being the south corner of an adjoining 16.780 acre tract, recorded in Volume 1136, Page 482, Deed Records, Brazoria County, Texas, said 16.780 being part of the aforementioned original called 300 acre tract;

THENCE upstream with the centerline meanders of Mound Creek:

North 05 degrees 28 minutes 25 seconds West, 140.68 feet;

FIELD NOTES 259.3570 ACRE TRACT (CONT'D.)**PAGE 3**

North 15 degrees 42 minutes 23 seconds East, 73.72 feet;
 North 18 degrees 48 minutes 43 second West, 33.78 feet;
 North 38 degrees 47 minutes 53 seconds West, 37.32 feet;
 North 58 degrees 41 minutes 14 seconds West, 68.74 feet;
 North 67 degrees 42 minutes 14 seconds West, 144.43 feet;
 North 59 degrees 51 minutes 12 seconds West, 117.85 feet;
 North 36 degrees 07 minutes 22 seconds West, 59.11 feet;
 North 07 degrees 29 minutes 48 seconds West, 27.87 feet;
 North 21 degrees 42 minutes 25 seconds East, 46.64 feet;
 North 43 degrees 34 minutes 03 seconds East, 33.01 feet;
 South 85 degrees 55 minutes 53 seconds East, 31.10 feet;
 North 49 degrees 03 minutes 51 seconds East, 105.25 feet;
 North 28 degrees 30 minutes 21 seconds East, 34.32 feet;
 North 01 degrees 35 minutes 13 seconds East, 129.96 feet;
 North 41 degrees 30 minutes 46 seconds East, 88.41 feet;
 North 17 degrees 39 minutes 14 seconds East, 66.51 feet;
 North 17 degrees 20 minutes 17 seconds West, 67.24 feet;
 North 04 degrees 39 minutes 32 seconds East, 17.29 feet;
 North 09 degrees 46 minutes 57 seconds West, 137.51 feet;
 North 18 degrees 38 minutes 55 seconds East, 249.53 feet;
 North 55 degrees 21 minutes 52 seconds East, 34.01 feet;
 North 77 degrees 09 minutes 12 seconds East, 29.12 feet;
 South 79 degrees 55 minutes 51 seconds East, 79.65 feet;

South 68 degrees 46 minutes 28 seconds East, 74.86 feet to a point in the centerline of Mound Creek for corner, said point being at the intersecting point of the centerline of Mound Creek with the original northeast line of the aforementioned called 300 acre tract, said point being also in the southwest line of a called 54.5546 acre tract in deed to Louis John Horak, et ux, recorded in Volume (90) 757, Page 266, Official Records, Brazoria County, Texas;

THENCE North 46 degrees 00 minutes 10 seconds West along the original northeast line of said called 300 acre tract, and the southwest line of the aforementioned Louis John Horak, et ux, called 54.5546 acre tract, 174.25 feet to a 1/2 inch iron pipe with cap marked "Kalkomey Surveying" set on said line for the north most corner of the herein described 259.3570 acre tract of land;

THENCE South 43 degrees 21 minutes 17 seconds West along the northwest line of the aforementioned called 300 acre tract, and along the southeast line of a called 167.8214 acre tract in deed to Charles F. Gless, recorded in Volume (90) 748, Page 111, Official Records, Brazoria County, Texas, at 3,427.22 feet pass the south corner of said Gless tract, same being the east corner of a called 433.0764 acre tract in deed to Ernest W. Speed, Jr., recorded in Volume (88) 583, Page 807, Official Records, Brazoria County, Texas, and continuing along the northwest line of the said called 300 acre tract and along the southeast line of the aforementioned called 433.0764 acre Speed tract, 11,870.95 feet to a 1/2 inch iron rod found on said line for the west most corner of the herein described 259.3570 acre tract of land, the south corner of the called 433.0764 acre Speed tract, and the east corner of a called 40.763 acre tract in deed to Dorothy M. Kaiser, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas;

THENCE South 46 degrees 38 minutes 43 seconds East crossing said called 300 acre tract, 1,018.46 feet to the Place of Beginning and containing 259.3570 acres of land, more or less.

30-FOOT EASEMENT

FIELD NOTES FOR A 0.7931 ACRE PARCEL OF LAND IN THE JESSE THOMPSON LEAGUE, ABSTRACT 132, BRAZORIA COUNTY, TEXAS, SAID 0.7931 ACRE TRACT BEING A PART OF A CALLED 300 ACRE TRACT BEING IN DEED TO MYRVIN GIFFORD AND DENNIS RAY GIFFORD BY VIRTUE OF HEIRSHIP AFFIDAVIT, RECORDED IN VOLUME 698, PAGE 387, OFFICIAL RECORDS, BRAZORIA COUNTY, TEXAS. THE BASE BEARING FOR THE HEREIN DESCRIBED TRACT IS A PORTION OF THE SOUTHEAST LINE OF SAID 300 ACRE TRACT BEING THE NORTHWEST LINE OF THE LETICIA C. WOODWARD CALLED 110.7350 ACRE TRACT, RECORDED UNDER COUNTY CLERK'S FILE NO. 00-104008, OFFICE OF THE COUNTY CLERK, BRAZORIA COUNTY, TEXAS, SAID BEARING BEING NORTH 43 DEGREES 19 MINUTES 40 SECONDS EAST;

BEGINNING at a ½ inch iron rod found on the northwest line of the aforementioned called 300 acre tract, being south corner of the Ernest W. Speed, Jr., called 433.0764 acre tract, recorded in Volume (88) 583, Page 807, Official Records, Brazoria County, Texas, and an east corner of the adjoining Dorothy M. Kaiser called 40.763 acre tract, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas;

THENCE South 43 degrees 13 minutes 38 seconds West along the northwest line of the aforementioned called 300 acre tract being a southeast line of the aforementioned adjoining Dorothy M. Kaiser called 40.763 acre tract, 701.07 feet to a 5/8 inch iron rod found on said line for corner, said point being the north corner of an adjoining 1.00 acre tract, being of record in Volume 1124, Page 482, Deed Records, Brazoria County, Texas;

THENCE South 47 degrees 10 minutes 33 seconds East along the northeast line of said 1.00 acre tract, 99.40 feet to a 5/8 inch iron rod found at its east corner for a re-entry corner to the herein described 0.7931 acre tract;

THENCE South 42 degrees 54 minutes 12 seconds West along the southeast line of the aforementioned adjoining 1.00 acre tract, 351.21 feet to a point on the easterly right-of-way line of F.M. Highway 1301 for the west corner of the herein described 0.7931 acre parcel of land;

THENCE South 47 degrees 05 minutes 48 seconds East along the northerly right-of-way line of F.M. Highway 1301, 30.00 feet to a point on said line for corner;

THENCE North 42 degrees 54 minutes 12 seconds East along a line 30-foot from and parallel to the southeast line of the aforementioned 1.00 acre tract, 381.25 feet to a point for corner;

THENCE North 47 degrees 10 minutes 33 seconds West along a line 30-foot from and parallel to the northeast line of the aforementioned called 1.00 acre tract, 99.23 feet to a point for a re-entry corner to the herein described 0.7931 acre parcel of land;

THENCE North 43 degrees 13 minutes 38 seconds East along a line 30-foot from and parallel to the southeast line of the aforementioned Dorothy M. Kaiser called 40.763 acre tract, recorded in Volume 1616, Page 845, Deed Records, Brazoria County, Texas, 670.86 feet to a point for the east corner of the herein described 30-foot wide easement, same being on the southwest line of an adjoining 259.3570 acre tract (surveyed this date) being a part of the aforementioned called 300 acre tract;

THENCE North 46 degrees 46 minutes 22 seconds West along the southwest line of the aforementioned 259.3570 acre tract, 30.00 feet to the Place of Beginning and containing an area of 0.7931 acres of land, more or less.

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT
IN A REINVESTMENT ZONE CREATED IN BRAZORIA COUNTY**

WHEREAS, the creation, retention and diversification of job opportunities that bring new wealth are among the highest civic priority; and

WHEREAS, the purpose of tax abatement is to provide an incentive offered by the tax-payers, i.e. citizens of Brazoria County, to attract investments, that lead to better quality of life and better services. The wealth created by these enterprises leads to more service and retail businesses, which in addition to improving quality of life, increases the tax base. In summary, by giving incentive in terms of tax abatement, the citizens agree to give up short term tax benefits, for long term benefits; and

WHEREAS, new jobs, investment and industrial diversification will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

WHEREAS, the communities within Brazoria County must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

WHEREAS, any tax incentives offered in Brazoria County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

WHEREAS, the abatement of property taxes, when offered to attract capital investment and primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area of economy; and

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, and said Guidelines and Criteria to be unchanged for a two year period unless amended by a three-quarters vote;

Now, therefore, be it resolved that Brazoria County does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in Brazoria County.

DEFINITIONS Section 1

- (a) "Abatement" means the full or partial exemption from ad valorem taxes on certain property in a reinvestment zone designated by Brazoria County for economic development purposes.
- (b) "Abatement Period" means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.
- (c) "Abated Facility Site" (or "proposed abated facility site") means the tract(s) or area of land underlying the proposed improvements to be abated.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee and Brazoria County for the purpose of tax abatement.

- (e) "Base year value" means the assessed value of eligible property 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.
- (f) "Brazoria County Vendor and Services" means a company that employs Brazoria County residents and pays Brazoria County taxes.
- (g) "Deferred maintenance" means the improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (h) "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where seventy percent (70%) of the goods or services are distributed outside of Brazoria County.
- (i) "Economic Development" means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in Brazoria County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Brazoria County.
- (j) "Eligible jurisdiction" means Brazoria County and any municipality or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Brazoria County that levies ad valorem taxes upon and provides services to reinvestment zone designated by Brazoria County.
- (k) "Employee" for the purposes of the economic qualifications of Section 2(h)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- (l) "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (h) (2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.
- (m) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (n) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

- (o) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (p) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.
- (q) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (r) "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside Brazoria County.
- (s) "Productive Life" means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- (t) "Qualified Vendors and Services" means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.
- (u) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where seventy percent (70%) of users reside at least 50 miles from its location in Brazoria County.
- (v) "Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (w) "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to service goods where seventy percent (70%) of the goods being serviced originate outside of Brazoria County.
- (x) "Tangible personal property" means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the reinvestment zone at any time before the period covered by the agreement with the County.

ABATEMENT AUTHORIZED Section 2

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility, Other Basic Industry, or a facility that Commissioners Court determines would enhance job creation and the economic future of Brazoria County.
- (b) **Creation of New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Brazoria County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Brazoria County may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property.** Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

Tangible Personal Property: Abatement may be granted with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the real property, (2) all or a portion of the value of the tangible personal property located on the real property, or (3) all or a portion of the value of both.

An abatement may be granted with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

- (e) **Ineligible Property.** The following type of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Brazoria County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property; vehicles, watercraft, aircraft, housing, convalescent homes, assisted living homes/centers, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2(f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, property already subject to real or personal property tax(es) moved from one location in Brazoria County to the reinvestment zone, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by State law.
- (f) **Leased Facilities. Leasehold Interest:** Abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: Abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to

the lease, (2) all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or (3) all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

Leasehold Interest/Lessee shall be required to submit with its application a copy of the executed lease agreement between lessor/lessee demonstrating a minimum lease term double the abatement term granted.

- (g) Value and Term of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Commissioners Court Order granting the abatement and approving the abatement application. Commissioners Court shall consider the percent of value and the term of the abatement based upon the overall value of the project and the number of new jobs being created. The term of abatement may be up to 10 years or one-half (1/2) of the productive life of the improvement, whichever is less. The “productive life” will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date beyond the January 1 following the Commissioners Court Order granting the abatement and approving the abatement application, the County may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond ten (10) years. However, in no event shall the abatement begin later than the January 1 following the commencement of construction.

If a modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

New eligible properties must be in active service and operation as part of a facility operating in a producing capacity for a period equal to double the abatement period (*i.e.* seven year abatement, then in producing capacity for 14 years) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions.

- (h) Economic Qualification. In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:
- (1) must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
 - (2) must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Brazoria County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:

a. "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.

b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered "created" employment for purposes of this sub-section.

The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.

- (3) must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
- (4) must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

- (5) must provide for and pay, at the time of filing an application for tax abatement, a non-refundable application fee of \$1,000. A part of the application fee will be dedicated by Brazoria County to economic development programs authorized by Local Government Code, Section 381.004.
- (6) must file a plan statement with application demonstrating willingness and planned efforts to use qualified Brazoria County union and/or nonunion vendors and services where applicable in the

construction and operations of the facility. Brazoria County vendors and services must be competitive with non-county union and/or nonunion vendors and services regarding price, quality, safety, availability and ability to perform. It is preferred that applicant seek qualified workers who are United States citizens and veterans and also legal residents prior to seeking workers from other countries.

- (7) will annually, for the term of the abatement, contribute .000207 of the value reported in "Part IV Section F" of the abatement application (estimated value of abated improvements at the conclusion of the abatement period). Air carriers receiving abatement will contribute an amount equal to .000207 of the estimated value of the personal property of the air carrier indicated in its Application. Each project will contribute no more than \$25,000 for projects \$500 million or less in capital investment and no more than \$50,000 for project greater than \$500 million in capital investment nor less than \$2,000 annually to be used specifically to fund economic development in Brazoria County as authorized by Local Government Code, Section 381.004. The annual contribution shall be paid to Brazoria County through the County Auditor's Office on or before January 1 of each year of the tax abatement contract term.
- (8) must not file with the Brazoria County Appraisal District a valuation or taxpayer protest or notice of protest pursuant to the Texas Property Tax Code during the abatement period legally protesting the valuation of the abated improvements of a manufacturing facility pursuant to an appraisal method that produces a valuation of improvements based on each improvement's value as a separate item of personal property rather than the improvements' value as integral fixtures of a producing manufacturing facility. An owner's legal protest of the improvements' value pursuant to the Texas Property Tax Code must be based on and use accepted appraisal methods and techniques allowed by law (Texas Property Tax Code) and uniform standards of professional appraisal practice. The filing of a valuation protest or notice of protest contrary to this standard shall cause the tax abatement agreement to be subject to termination and recapture of all previously abated taxes.
- (9) must not be a defendant in any litigation by the County seeking recovery or recapture of previously abated taxes.
- (10) Will be wholly responsible for all County roads and right-of-way (including bridges, culverts, ditches, etc.) and damages caused thereto as a result of the construction of an on-going maintenance and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:
 - Cost to maintain the roads, if needed, utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by the County and invoiced on a regular basis to the Abatee.
 - Cost to reconstruct the roadway, if needed, will be actual cost to repair the County roads and right-of way incurred by the County and invoiced to the Abatee. These costs will include all construction costs as well as all related professional services for the repair work.
 - Abatee shall coordinate with the County Engineering Department regarding any and all use of County roads and right-of-way for construction, maintenance and operation of Abated Facility Site in accordance with County regulations in place for use of County facilities.

- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section 2(e) shall be fully taxable;
 - (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
 - (3) the additional value of new eligible property shall be taxable in the manner described in Section 2(g).

APPLICATION Section 3

- (a) The Application for tax abatement may be obtained from the County Judge's Office or on the Brazoria County website at www.brazoria-county.com. Applicant may contact the Judge's Office at (979) 864-1200 or (281) 756-1200.
- (b) Any present or potential owner of taxable property in Brazoria County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Brazoria County. The application shall be filed with the County Judge by providing twelve (12) copies or an electronic version and five (5) copies. The additional copies provided will be furnished to each member of Commissioners Court and the Tax Abatement Review Committee (TARC). After filing the application, the Applicant shall provide an economic impact analysis report, in a format comparable to the Texas Governor's economic impact analysis report, to the County Judge's Office prior to the TARC meeting on the Applicant's tax abatement application.
- (c) The application shall consist of a completed application form accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements which will be a part of the facility; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form shall require such financial and other information as Brazoria County deems appropriate for evaluating the financial capacity and other factors of the Applicant. Applicant should not submit confidential information as part of the application. If doing so cannot be avoided, a general description in non-confidential terms should be included on the application, along with a sealed document containing the confidential information as an attachment and clearly marked "CONFIDENTIAL".
- (d) Upon receipt of a completed application, the County Judge shall notify in writing the presiding officer of the governing body of each eligible jurisdiction. Before acting upon the application, Brazoria County Commissioners' Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Brazoria County notice to be posted at least 30 days prior to the hearing.

- (e) After receipt of an application for creation of a reinvestment zone and application for abatement, the Tax Abatement Review Committee (TARC) shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not be limited to, an estimate of the economic effect of the creation of the zone and the abatement of taxes and the benefit to the eligible jurisdiction and the property to be included in the zone. The economic impact analysis report provided by the Applicant shall be attached to the feasibility study and included as part of the feasibility study report.
- (f) If upon written request for a legal opinion or interpretation from the Commissioners' Court or its members, the legal counsel for Brazoria County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed for a period of at least thirty days from the scheduled date of public hearing to allow time for further review by the Commissioners' Court or any duly appointed review committee, or if an initial setting has not been made, the hearing on such application shall be set on the Commissioners' Court agenda no sooner than sixty (60) days from the time the Court enters an order to set the public hearing date.

The Applicant shall file a supplement or addendum to its application to show cause why the application should be approved and shall present reasons at the public hearing on the same.

Provided that any final decision or interpretation as to the intent and meaning or policy of any provision or its written language; any final decision as to whether or not an application complies or does not comply with the guidelines and criteria; and any final decision as to whether to grant or deny tax abatement shall be made by the Commissioners' Court at its sole discretion.

- (g) Brazoria County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- (h) Variance. Requests for variance from the provisions of Subsections (a) (b) (e) (g), (h) (1), (h) (2) and/or (h) (3) of Section 2 may be made in written form to the County Judge with a copy forwarded to the TARC. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.
- (i) Special Variance: Air Carriers. A special variance from all applicable provisions of these guidelines and criteria, with the exception of Section 2 (h) (5) and (h) (7) may be granted allowing abatement or partial abatement of ad valorem taxes on the personal property of a certificated or non-certificated air carrier that owns or leases taxable real property in Brazoria County provided that the personal property has a value of at least \$10,000,000. Approval of a request for this variance requires a three-fourth (3/4) vote of the Commissioners Court.

APPROVAL - Section 4

- (a) Neither a reinvestment zone nor abatement 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 hazard to public safety, health or morals; or,
- (4) violation of other codes or laws.

AGREEMENT Section 5

- (a) After approval, Brazoria County Commissioners' Court shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:
 - (1) estimated value to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section 2(g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Application, Sections II and III;
 - (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 2(a), 2(f), 2(g), 2(h) 6, 7, and 8;
 - (6) size of investment and average number of jobs involved for the period of abatement; and
 - (7) provision that Applicant shall annually furnish information necessary for Brazoria County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria (in the form of an annual report/statement of compliance), together with an additional provision that Brazoria County may, at its election, request and obtain information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria. See Attachment A.
 - (8) provision that, upon expiration of the tax abatement agreement, Applicant shall begin annually reporting the status of the abated improvements regarding active service and operation as part of a facility operating in a producing capacity. Reporting will be for the same amount of years as the tax abatement period (*e.g.* seven year abatement, then follow-up reporting for seven more years). See Attachment B.
- (b) Such agreement shall be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to Brazoria County.

RECAPTURE Section 6

- (a) In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the county may elect to: (1) Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes; (2) Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or (3) Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- (b) Should Brazoria County determine that the company or individual is in default according to the terms and conditions of its agreement, Brazoria County shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated.
- (c) In the event that the company or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- (d) Failure to provide any requested statement or information pursuant to the provisions described in Section 5(a)(7) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

ADMINISTRATION Section 7

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the eligible jurisdictions which levy taxes on the amount of the assessment.
- (b) The agreement shall stipulate that TARC of Brazoria County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with their safety standards.

(c) Tax Abatement Review Committee:

The Commissioners' Court shall appoint a standing Tax Abatement Review Committee (TARC) for purposes of (i) reviewing the tax abatement application and preparing the feasibility study report required by Section 3(d) of these guidelines; (ii) conducting annual inspections and/or evaluations of the abated facilities to insure compliance with the terms/conditions of the tax abatement agreement.

(d) The Tax Abatement Review Committee shall be comprised of, but not limited to, a representative appointed by each Commissioners' Court member. The County Auditor, County Treasurer, District Attorney representative, and County Tax Assessor Collector shall serve as ex-officio members of the Committee to advise on abatement qualifications and procedures. The County Judge and the Commissioner of the Precinct in which a proposed abated facility will be located will serve on the Committee during the period when the Committee is preparing the feasibility study report and conducting the annual inspection and/or evaluation of the facility.

(e) Upon commencement of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Brazoria County Commissioners' Court and the Tax Abatement Review Committee clearly detailing the status of the facility and how it is complying with the abatement guidelines. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment A to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment A form.

(f) Upon expiration of the Tax Abatement term, the owner of the abated improvements must submit a written report/statement of compliance annually, beginning January 1 after the expiration of the tax abatement term, documenting that the abated improvements remain in active service and operation as part of a facility operating in a producing capacity for an additional period equal to the abatement period granted and completed (*e.g.* seven year abatement, then in producing capacity for an additional 7 years after expiration of the tax abatement agreement) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions. The Report shall be delivered to the County Judge. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment B to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment B form.

(g) The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

ASSIGNMENT Section 8

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of Brazoria County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Brazoria County. No assignment or transfer shall be approved if the new parties to the existing agreement, the new owner or new lessee are liable to Brazoria County or any eligible jurisdiction for delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

PROVISIONS REGARDING CITY-INITIATED ABATEMENTS Section 9

- (a) This section is applicable to tax abatement applications for property located in a reinvestment zone designated by a city and applications by Applicants who have previously entered into a tax abatement agreement with a city regarding that property.
- (b) All provisions of these Guidelines & Criteria are applicable to city-initiated reinvestment zones and abated areas within a city's territorial limits unless otherwise stated herein or provided by law.
- (c) An Applicant shall file a tax abatement application on the County's application form together with all attachments and statements described in the application instructions and in subsection (d) herein below.
- (d) Upon receipt of a tax abatement application applicable to property within a city-designated reinvestment zone subject to a city's tax abatement agreement, the application shall be reviewed for approval as to (a) correct application form, (b) represented compliance with economic value estimates and employment criteria of Section 2(h) of the Guidelines & Criteria, (c) legal description requirements, (d) attachment of a correct copy of the city's ordinance designating the area as a reinvestment zone and granting abatement and (e) attachment of a correct copy of the fully executed tax abatement agreement between the city and the Applicant.
- (e) After review (and subject to approval of the matters in (d) above) and meeting of the TARC, the application will be placed on the next Commissioners Court meeting for consideration. If there are any compliance problems with the application (including any problems to be resolved or amendments to the application to be made), the County Judge and Precinct Commissioners shall be advised of these compliance problems/matters to be resolved in a memo from the Civil Division-District Attorney's Office. No Application shall be placed on the Agenda if the application fails to attach both the ordinance designating reinvestment zone and the copy of the fully executed tax abatement agreement between the city and the Applicant, or which is deficient as to application form or legal description. In such case the Applicant shall be informed of the necessity of attaching those documents or making necessary corrections, and there will be no further processing of the application until the same are received.
- (f) The notice provisions of Section 3(d) are not applicable to an application under this section.
- (g) The percentage of property value abated and the term of abatement shall be the same as that stated in the city's tax abatement agreement unless otherwise specifically ordered in the Commissioners Court order granting abatement.

SUNSET PROVISION Section 10

- (a) These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Brazoria County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the

expiration of said Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.

- (b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the eligible jurisdictions.
- (c) These guidelines and policies for Tax Abatement shall be effective May 31, 2018, and shall remain in force until May 31, 2020, unless amended or superseded, modified, renewed, or eliminated by Commissioners Court prior to that date.

ATTACHMENT A

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

ANNUAL REPORT FORM

ANNUAL REPORT
PURSUANT TO SECTION 5(a)(7) AND 7(e) OF
THE BRAZORIA COUNTY GUIDELINES &
CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____(Number of RZ, if applicable)

1. Commencement and/or completion date of the contemplated improvements described in the tax abatement agreement.

Date of commencement of construction: _____

Date of completion all contemplated improvements: _____

2. Number of permanent employees, contract employees and temporary contract employees currently employed by you at the tax abated facility location or construction site as of the date of this Report. (See definitions below).

Permanent Employees: _____

*Permanent Contract Employees _____

(* List contract employees employed on a full-time, 40 hours per week equivalency basis and who are expected to be employed on a full-time basis for the duration of the abatement period. Do not include temporary contract employees.)

**Temporary Contract Employees _____

(**List temporary contract employees who are employed for a temporary period ending prior to expiration of the tax abatement term)

3. Status of construction of the contemplated improvements, percentage of construction completed and Owner's estimate of taxable value of constructed improvements on the date of the Report.

Percentage of construction completed: _____

Estimated value of Improvements: _____

As of _____

4. Status of production of the completed facility and the productive service capacity of the improvements. (*only applicable to a completed facility that has previously commenced production*)

Is the abated facility currently producing the product or similar product described in the tax abatement agreement?

Check One
() Yes or () No

If the answer to the above question is "No", please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment B.

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state "plant closed" in the blank space.

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production (*or in other words*, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total any previous years of production prior to the date of this report.)

5. Include a narrative of your use of Brazoria County vendors and services and attach the same as Attachment A to this Report.

Is the narrative on use of Brazoria County vendors and Services attached?

Check One
() Yes or () No

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

ATTACHMENT B

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

REPORT FORM
After the initial term of the
Tax Abatement Agreement

PRODUCTIVE LIFE REPORT
TAX ABATEMENT TERM COMPLETED
PURSUANT TO SECTION 5(a)(8) AND 7(f) OF
THE BRAZORIA COUNTY GUIDELINES &
CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

Effective Date of Tax Abatement: _____

1. Status of production of the completed facility and the productive service capacity of the improvements.

Is the abated facility currently producing the product or similar product described in the tax abatement agreement? **Check One**
() Yes or () No

If the answer to the above question is "No", please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment A. _____

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state "plant closed" in the blank space. _____

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production (*or in other words*, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total any previous years of production prior to the date of this report.) _____

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here

Steven Galloway

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

[Handwritten signature of Steven Galloway]

Signature (Authorized School District Representative)

9/17/19

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

Andrew Murray

Print Name (Authorized Company Representative (Applicant))

Authorized Signatory

Title

sign here

[Handwritten signature of Andrew Murray]

Signature (Authorized Company Representative (Applicant))

September 16, 2019

Date

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

My Commission expires:

(Notary Seal)

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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of San Francisco }

On September 16, 2019, before me, Harmandeep Kaur Ratia, Notary Public, personally appeared Andrew Murray who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

SIGNATURE

A handwritten signature in blue ink, appearing to be "Andrew Murray", written over a horizontal line.

PLACE NOTARY SEAL ABOVE
