SARA LEON & ASSOCIATES, LLC

October 16, 2019

Via Electronic Mail: <u>Tabita.Collazo@cpa.texas.gov</u> Tabita Collazo Research Analyst Economic Development & Local Government Data Analysis & Transparency Division Texas Comptroller of Public Accounts 111 E. 17th Street Austin, Texas 78774

Re: Application #1430 from Hecate Energy Roseland Solar, LLC to Mart Independent School District – Amendment #001 Transmittal

Dear Local Government Assistance and Economic Analysis Division:

This letter is in response to your email dated October 1, 2019. Per your request, Hecate Energy Roseland Solar, LLC has made the following changes to Application #1430. Enumerated below are each of the changes contained in Amendment #001:

1. Section 4, Question 4

At the time the Application was submitted to Mart ISD, an Application to Riesel ISD had not yet been submitted by the District to the Comptroller's office. Subsequently the Application to Riesel ISD was submitted by the district to the Comptroller. Page 3, Section 4 has been amended to show that Application #1426 was recently submitted. Tab 4 (Detailed description of the project)

2. <u>Section 5</u>

- a. Tab 3 has been amended to reflect that Hecate Energy Roseland Solar LLC is not a combined group as defined by Tax Code Section 171.0001(7) so the response to Question 4 is "No"
- b. Because the Applicant is not a combined group, Question 4 is not applicable, "N /A" has been selected

3. <u>Section 10</u>

- a. The word County has been edited to correct spelling.
- b. Page 5, Section 10, Question 4 has been amended to reflect the same County tax rate shown in Tab 6.

4. <u>Tab 6</u>

- a. Maps have been added that show the project boundaries for both Riesel ISD and Mart ISD.
- 5. <u>Tabs 7 and 8</u>
 - a. "but is not limited to" language has been removed.



- b. Requested language has been substituted for original language.
- c. Listed qualified property has been reviewed. All qualified property listed in Tabs 7 and 8 corresponds to improvements shown in the revised map in tab 11.
- d. Information pertaining to Application #1426 has been removed. PV panel listed in Tabs 7 & 8 pertain only to the Mart ISD Application #1430. Tab 4 is revised as well to include the full project description.

6. <u>Tab 11</u>

- a. A revised Vicinity map is provided clearly identifying the project boundary is within the Reinvestment Zone, Mart ISD and Falls County.
- b. Map showing only the qualified property in Mart ISD has been provided.

7. <u>Tab 17</u>

a. A new signature page attached.

Thanks so much for your kind attention to this matter.

Respectfully submitted,

Sara Hardner Leon

Enclosures

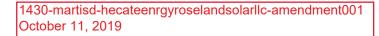
cc: *Via Electronic Mail: <u>betsy.burnett@mymartisd.org</u> Betsy Burnett, Superintendent of Schools, Mart Independent School District*

Via Electronic Mail: <u>aboggs@hecateenergy.com</u> Andrew Boggs, Director, Hecate Energy LLC

Via Electronic Mail: <u>sgregson@cwlp.net</u> Sam Gregson, Senior Consultant, Cummings Westlake, LLC

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	Texas	Comptroller of Public Accounts	Data Analysis and Transparency Form 50-296-A
S	ECTION 2: Applicant Information (continued)		
4.	Authorized Company Consultant (If Applicable)		
S	am	Gregson	
	enior Consultant	Last Name	
Tit	e		
C	ummings Westlake LLC		
	m Name 13-266-4456	713-266-2333	
	one Number	Fax Number	
	gregson@cwlp.net		
Bu	siness Email Address		
S	ECTION 3: Fees and Payments		
1.	Has an application fee been paid to the school district?		Ves No
	The total fee shall be paid at time of the application is submitted to the sch considered supplemental payments.	nool district. Any fees not accompanying the original a	pplication shall be
	1a. If yes, attach in Tab 2 proof of application fee paid to the school dis	strict.	
dis	r the purpose of questions 2 and 3, "payments to the school district" include strict or to any person or persons in any form if such payment or transfer of nsideration for the agreement for limitation on appraised value.		
2.	Will any "payments to the school district" that you may make in order to reagreement result in payments that are not in compliance with Tax Code §3		✓ No N/A
3.	If "payments to the school district" will only be determined by a formula or amount being specified, could such method result in "payments to the sch compliance with Tax Code §313.027(i)?	ool district" that are not in	No N/A
S	ECTION 4: Business Applicant Information		
1.	What is the legal name of the applicant under which this application is ma	de? Hecate Energy Roseland S	olar LLC
	List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter		32070337533
3.	List the NAICS code		221114
4.	Is the applicant a party to any other pending or active Chapter 313 agreer	nents?	Ves No
	4a. If yes, please list application number, name of school district and y	ear of agreement	
	Application #1426 was recently submitted to Riesel IS	SD	
S	ECTION 5: Applicant Business Structure		
1.	Identify Business Organization of Applicant (corporation, limited liability co	rporation, etc) Limited Liability Co	ompany
2.	Is applicant a combined group, or comprised of members of a combined g	roup, as defined by Tax Code \$171,0001(7)?	Yes 🖌 No
<u> </u>	 2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax F from the Franchise Tax Division to demonstrate the applicant's corr 	orm No. 05-165, No. 05-166, or any other documenta	
3.	Is the applicant current on all tax payments due to the State of Texas?	o i i	Yes No
	Are all applicant members of the combined group current on all tax payme		No V/A
5.	If the answer to question 3 or 4 is no, please explain and/or disclose any h any material litigation, including litigation involving the State of Texas. (<i>If no</i>		
	For more information, visit our website: comp	troller.texas.gov/economy/local/ch313/	Page 3





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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)

Hecate Energy Roseland Solar is not a combined group as defined by Tax Code Section 171.0001(7). Please see attached Franchise Tax Certificate.

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	Texas Comptroller of Public Accounts Data Analysis and Transparency Form 50-296-A				
SECTION 9: Projected Timeline					
1.	Application approval by school board March 2020				
2.	ommencement of construction				
3.	Beginning of qualifying time period				
4.	First year of limitation				
5.	Begin hiring new employees				
	Commencement of commercial operations				
7.	Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (<i>date your application is finally determined to be complete</i>)?				
S	ECTION 10: The Property				
	Identify county or counties in which the proposed project will be located Falls County				
	Identify Central Appraisal District (CAD) that will be responsible for appraising the property Falls CAD				
	Will this CAD be acting on behalf of another CAD to appraise this property?				
	List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:				
	County: Falls County; 100%; \$0948 City:				
	(Name, tax rate and percent of project) (Name, tax rate and percent of project)				
	Hospital District: Water District: (Name, tax rate and percent of project) (Name, tax rate and percent of project)				
	Other (describe): Other (describe):				
_	(Name, tax rate and percent of project) (Name, tax rate and percent of project)				
э.	Is the project located entirely within the ISD listed in Section 1?				
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 6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.				
S	ECTION 11: Investment				
lim	TE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value itation 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 trict. 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? 5,000,000.00				
2.	What is the amount of appraised value limitation for which you are applying?				
	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)?				
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, 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 Yes Yes Yes Por more information, visit our website: comptroller.texas.gov/economy/local/ch313/ Page 5				

Project Boundary Map - Tab 6

lallsburg

6

Mart

Riesel ISD is Shaded White

Project Boundary in Riesel ISD is Outlined in Green

N Memorial St

Project Boundary in Mart ISD is Outlined in White

Google Earthen

Reinvestment Zone is Outline in Red

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© 2018 Google



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TAB 7

Description of Qualified Investment

Hecate Energy Roseland Solar LLC proposes to construct a 500 MW ac (net capacity) Photovoltaic solar facility that would be sited on approximately 6,169 acres of land between the towns of Mart, TX `and Riesel, TX in Falls County. This application covers all qualified property in the reinvestment zone and project boundary within Mart ISD necessary for the commercial operations of the proposed solar project described in Tab 4.

Qualified Investment and Qualified Property in Mart ISD would generate 300 MW and includes, underground collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, 1,019,616 solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, maintenance and operations building, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

NOTE- The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.



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TAB 8

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TAB 4

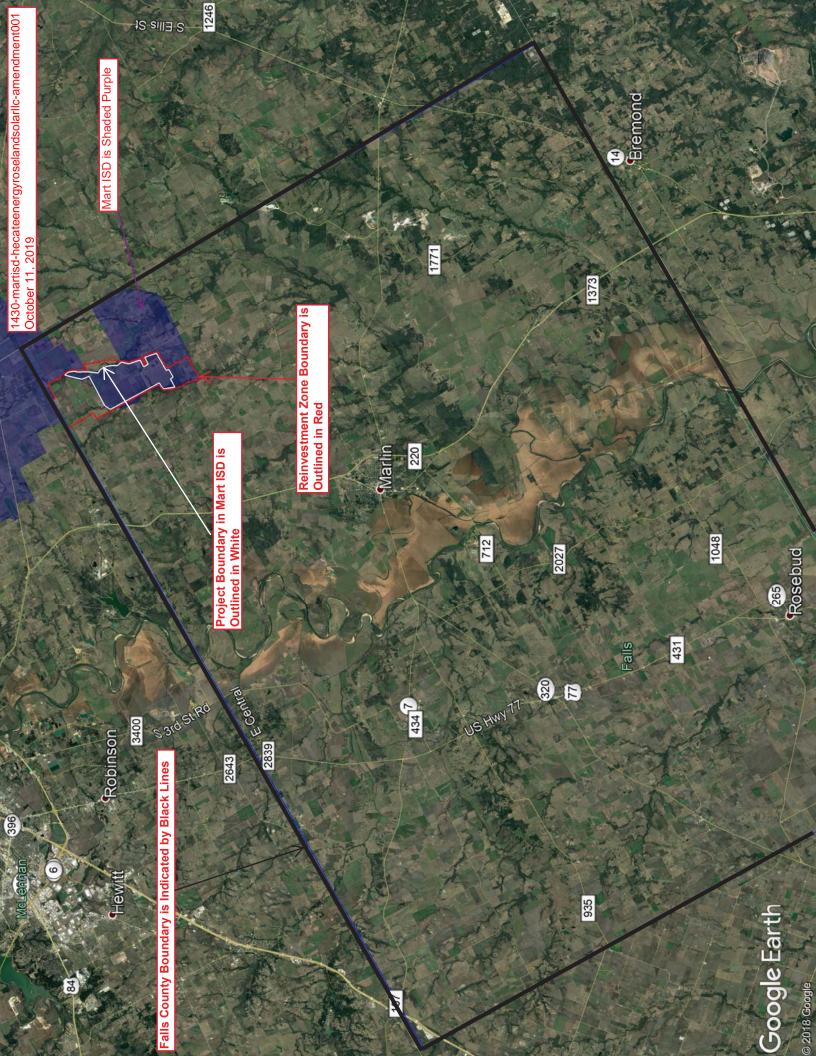
Detailed Description of the Project

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

Hecate Energy Roseland Solar LLC is requesting an Appraised Value Limitation from Mart Independent School District for the Roseland Solar, LLC Project (the "Project"), a proposed solar powered electric generating facility in Falls County. The proposed Mart ISD Project (this Application) would be constructed within a Reinvestment Zone that will be created by Falls County prior to execution of a Value Limitation Agreement. A map showing the location of the project is included in Tab 11. The project is also known by the name Roseland Solar. The Project IGNR Number is 20INR0205 and was assigned on October 25, 2018.

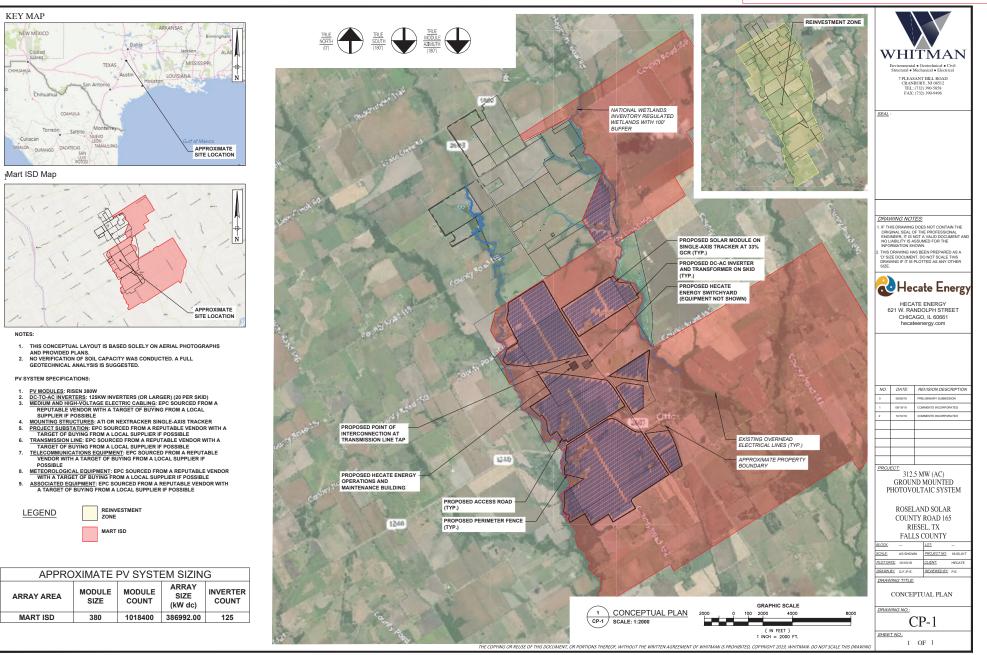
The full project would have approximately 1,626,400,PV panels and associated inverters located in Falls County with a total capacity of 500 MW. It is anticipated that 60% of the total project or 1,019,616 panels and associated inverters would be in Mart ISD. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will depend upon the panels and inverters selected, manufacturers availability and prices, ongoing engineering design optimization and the final megawatt generating capacity of the Project when completed. Current plans are to install approximately 1,019,616 PV panels and equipment installed for the Project, including underground collection systems, transmission lines, electrical interconnections, roads, control systems necessary for commercial generation of electricity, solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, maintenance and operations building, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in February 2021 with completion by May 2022





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TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's office
- b) Legal description of reinvestment zone*
- c) Order, resolution, or ordinance established the reinvestment zone*
- d) Guidelines and criteria for creating the zone*
- a) Not applicable
- b) See Attached
- c) See Attached
- d) See Attached Falls County Guidelines and Criteria

COMMISSIONERS COURT OF FALLS

RESOLUTION AND ORDER

DESIGNATING THE REINVESTMENT ZONE TO BE KNOWN AS THE ROSELAND SOLAR REINVESTMENT ZONE IN THE JURISDICTION OF FALLS COUNTY, TEXAS

The Commissioners Court of Falls County, Texas meeting in regular session on October 14, 2019, considered the following resolution:

WHEREAS, the Commissioners Court of Falls County, Texas (the "County") has elected to become eligible to participate in tax abatement agreements under the provisions of the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) (the "Act"); and,

WHEREAS, the County adopted guidelines and criteria governing tax abatement agreements in a resolution dated on July 10, 2019 (the "Guidelines and Criteria"); and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and

WHEREAS, the County (a) timely published or posted all applicable notices of public hearing regarding the designation of the real estate described in the attached Exhibit A as a reinvestment zone for tax abatement purposes, and (b) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone;

WHEREAS, the improvements proposed for the reinvestment zone are feasible and of benefit to the reinvestment zone after expiration of an abatement agreement; and

WHEREAS, the property described in Exhibit A meets the criteria established in the Guidelines and Criteria for a reinvestment zone; and

WHEREAS, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and would contribute to the economic development of the County; and

WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing.

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Falls County, that:

1. The County hereby designates the property located in Falls County, Texas, having the property description in Exhibit A attached to this Order as a reinvestment zone under the County's Guidelines and Criteria, having determined that (a) the property described on Exhibit A meets the criteria established in the Guidelines and Criteria, and (b) the designation of such reinvestment zone would contribute to the retention or expansion of primary employment or

would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and that would contribute to the economic development of the County.

2. The reinvestment zone created by this Order to include the real property described in Exhibit A shall be known as "Roseland Solar" Reinvestment Zone."

The foregoing Resolution an Order was lawfully adopted by the Commissioners Court of Falls County, Texas on October 14, 2019

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Millon Albright, Commissioner, Precinct 1

Willberg, Commissioner, Precinct 3 Jasp

LElliot, County Judge Jay/

F. A Green, Commissioner, Precinct 2

Nita Wuebker, Commissioner, Precinct 4

ATTEST:

a Workin County Clerk

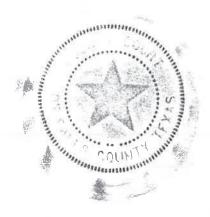


Exhibit A

LEGAL DESCRIPTION OF THE HECATE ENERGY ROSELAND SOLAR LLC TAX INCREMENT REINVESTMENT ZONE IN FALLS COUNTY, TEXAS

Lying in Falls County, Texas approximately 20 miles southeast of the city of Waco, Texas is a 6,619± acre tract generally bounded by Falls/McLennan County Line on the north, Big Creek and County Boads (CR) 163, 157 and 152 on the east, County Road 154 on the south, and Brushy Creek and County Road 148 on the west;

BEGINNING at a point in the centerline of CR 168 at the centerline of Big Creek, which is approximately 0.3 miles southwest from the intersection of CR 168 and CR 163;

THENCE, in a southerly direction with the centerline of Big Creek to its intersection with the centerline of CR 166;

THENCE, in a northeasterly direction along the centerline of CR 186 to its intersection of the centerline of CR 163;

THENCE, in a southwesterly direction along the centerline of CR 163 to a point approximately 200+/-feet northerly of the centerline of Farm to Market (FM) Road 1240 or called Main St.;

THENCE, in a southwesterly direction with a line being northerly 200+/- feet and parallel with the centerline of FM 1240 to a point in the centerline of FM 2603;

THENCE, in a southeasterly direction along the centerline of FM 2603 to the intersection of FM 1240 and CR 156,

THENCE, in a southeasterly direction along the centerline of CR 156 to a point approximately 200+/- fest southeasterly of said FM 1240 and CR 156 intersection;

THENCE, in a northeasterly direction with a line being southerly 200+/- feet and parallel with the centerline of FM 1240 to a point in the centerline of CR 157;

THENCE, in a southerly direction along the centerline of CR 157 to its intersection with the centerline of CR 152;

THENCE, generally in a southerly direction along the centerline of CR 152 to its intersection with the centerline of Brushy Creek;

THENCE, northerly with the centerline of Brushy Creek to its intersection with the easterly line of the Gregoria Basquez Survey Abstract Number 6 of Falls County;

THENCE, northerly along the east line of said Gregoria Basquez Survey to its intersection with the centerline of CR 118:

THENCE, northeasterly along the centerline of CR 118 to its intersection with the centerline of CR 148;

THENCE, northwesterly along the centerline of CR 148 to its intersection with the north line of Fails County;

THENCE, northeasterly along the north line of Falls County to its Intersection with the centerline of CR 168 and/or called Walts Road;

THENCE, southerly along the centerline of CR 168/Waits Road to an angle point in the centerline of CR 168;

THENCE, northeasterly along the centerline of CR 168 returning to the POINT OF BEGINNING of herein described TRZ and containing 6,619+/- acres.

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

Larry W. Smith State of Texas Registration No. 4279 August 14, 2019 Job No. 10.005502.0000



Form 50-296-A

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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	Betsy Burnett
	Print Na me(Authorized School District Representative)
sign here	Betan Becenett

Signature (Authorized School District Representative)

Superintendent

10/15/19

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.

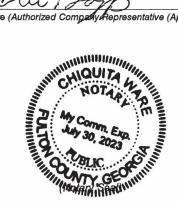
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print, Andrew Boggs here Print Nape (Authorized Company Representative (Applicant)) sign here Signature (Authorized Company Representative (Applicant))

Director, Development

10/11/19

Title



GIVEN under my hand and seal of office this, the

day of Notary Public in and for the State My Commission expires:

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.