
SARA LEON

& ASSOCIATES, LLC

June 4, 2020

Via Electronic Mail: Annette Holmes@cpa.texas.gov

Ms. Annette Holmes

Senior Research Analyst

Economic Development & Local Government

Data Analysis & Transparency Division

Texas Comptroller of Public Accounts

111 East 17th Street, Room 427

Austin, Texas 78774

Re: Application No. 1432 from Cutlass Solar, LLC to Needville Independent School District
– Amendment After Agreement

Dear Ms. Holmes:

The Needville Independent School District Board of Trustees approved the enclosed Amendment to Application 1432.

In **Section 9** of the Amended Application, the project timeline slides back one year and the start of the Value Limitation Period begins 1/1/2023 immediately after the end of the Qualifying Time Period (rather than after Commercial Operations as in the original application). Specifically:

1. Application approval by school board: May 2020 (formerly March 2020)
2. Commencement of Construction: Q4 2020 (formerly Q2 2020)
3. Beginning of qualifying time period: May, 2020 (formerly July 1, 2020)
4. First year of limitation: January 1, 2023 (formerly January 1, 2022)
5. Begin hiring new employees: December 2022 (former December 2021)
6. Commencement of Commercial Operations: December 2022 (formerly December 2021)
8. Place buildings in service: December 2022 (formerly December 2021).

Schedules A1, A2, B, C, and D are adjusted to reconcile with the new construction timeline.

A true and correct electronic copy of these documents are enclosed. A copy is being provided to the Fort Bend County Appraisal District by copy of this correspondence.

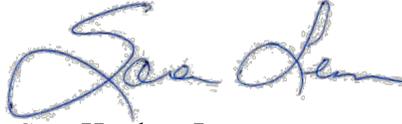
Ms. Annette Holmes

June 4, 2020

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Thank you so much for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sara Leon".

Sara Hardner Leon

SHL/vr

Enclosures

cc: *Via U.S. Postal Service:*
Glen Whitehead, Chief Appraiser
Fort Bend County Appraisal District
2801 B.F. Terry Blvd.
Rosenberg, Texas 77471-5600

Via Electronic Mail: rhodesc@needvilleisd.com
Curtis Rhodes, Superintendent of Schools, Needville Independent School District

Via Electronic Mail: jwinslow@advancedpowerna.com
Jonathan Winslow, Vice President, Cutlass Solar LLC

Via Electronic Mail: cbrown@advancedpowerna.com
Collin Brown, Manager, Development, Cutlass Solar LLC

Via Electronic Mail: svandyck@cwlp.net
Steven Van Dyck, Consultant, Cummings Westlake LLC

SECTION 9: Projected Timeline

- 1. Application approval by school board May 2020
- 2. Commencement of construction Q4 2020
- 3. Beginning of qualifying time period May 20, 2020
- 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 Fort Bend County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Fort Bend 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: Fort Bend County; 100%; .445 City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: Fort Bend Drainage Dist; 100% ; .019
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Wharton Co Jr College;100% ; .14346 Other (describe): N/A
(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? 60,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 60,000,000.00
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

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

Date **9/18/2019**
 Applicant Name **CUTLASS SOLAR LLC**
 ISD Name **NEEDVILLE 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-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		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2020	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	--			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	
Complete tax years of qualifying time period	QTP1	2021-2022	2021	189,000,000	1,000,000	0	0	190,000,000	
Complete tax years of qualifying time period	QTP1	2022-2023	2022	80,000,000	0	0	0	80,000,000	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				269,000,000	1,000,000	0	0	270,000,000	
				Enter amounts from TOTAL row above in Schedule A2					
Total Qualified Investment (sum of green cells)				270,000,000					

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.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Date **9/18/2019**
 Applicant Name **CUTLASS SOLAR LLC**
 ISD Name **NEEDVILLE 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-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 not 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		269,000,000	1,000,000	0	0	270,000,000
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	2020-2021	2020	0	0	0	0	0
	0	2021-2022	2021	0	0	0	0	0
	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				269,000,000	1,000,000	0	0	270,000,000
Continue to maintain viable presence	11	2033-2034	2033	0	0	0	0	0
	12	2034-2035	2034	0	0	0	0	0
	13	2035-2036	2035	0	0	0	0	0
	14	2036-2037	2036	0	0	0	0	0
	15	2037-2038	2037	0	0	0	0	0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038	0	0	0	0	0
	17	2039-2040	2039	0	0	0	0	0
	18	2040-2041	2040	0	0	0	0	0
	19	2041-2042	2041	0	0	0	0	0
	20	2042-2043	2042	0	0	0	0	0
	21	2043-2044	2043	0	0	0	0	0
	22	2044-2045	2044	0	0	0	0	0
	23	2045-2046	2045	0	0	0	0	0
	24	2046-2047	2046	0	0	0	0	0
	25	2047-2048	2047	0	0	0	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 **9/18/2019**
 Applicant Name **CUTLASS SOLAR LLC**
 ISD Name **NEEDVILLE 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	2020-2021	2020	0	0	0	0	0	0
	0	2021-2022	2021	0	0	0	0	0	0
	0	2022-2023	2022	0	500,000	94,500,000	95,500,000	95,500,000	0
Value Limitation Period	1	2023-2024	2023	0	1,000,000	175,959,000	176,934,000	176,934,000	60,000,000
	2	2024-2025	2024	0	975,000	161,859,600	162,810,200	162,810,200	60,000,000
	3	2025-2026	2025	0	950,600	146,645,100	147,571,900	147,571,900	60,000,000
	4	2026-2027	2026	0	926,800	130,202,100	131,105,700	131,105,700	60,000,000
	5	2027-2028	2027	0	903,600	112,455,000	113,336,000	113,336,000	60,000,000
	6	2028-2029	2028	0	881,000	93,290,400	94,149,400	94,149,400	60,000,000
	7	2029-2030	2029	0	859,000	72,594,900	73,432,400	73,432,400	60,000,000
	8	2030-2031	2030	0	837,500	50,236,200	51,052,800	51,052,800	51,052,800
	9	2031-2032	2031	0	816,600	37,800,000	38,596,200	38,596,200	38,596,200
Continue to maintain viable presence	10	2032-2033	2032	0	796,200	37,800,000	38,576,300	38,576,300	38,576,300
	11	2033-2034	2033	0	776,300	37,800,000	38,556,900	38,556,900	38,556,900
	12	2034-2035	2034	0	756,900	37,800,000	38,538,000	38,538,000	38,538,000
	13	2035-2036	2035	0	738,000	37,800,000	38,519,600	38,519,600	38,519,600
	14	2036-2037	2036	0	719,600	37,800,000	38,501,600	38,501,600	38,501,600
Additional years for 25 year economic impact as required by 313.026(c)(1)	15	2037-2038	2037	0	701,600	37,800,000	38,484,100	38,484,100	38,484,100
	16	2038-2039	2038	0	684,100	37,800,000	38,467,000	38,467,000	38,467,000
	17	2039-2040	2039	0	667,000	37,800,000	38,450,300	38,450,300	38,450,300
	18	2040-2041	2040	0	650,300	37,800,000	38,434,000	38,434,000	38,434,000
	19	2041-2042	2041	0	634,000	37,800,000	38,418,200	38,418,200	38,418,200
	20	2042-2043	2042	0	618,200	35,910,000	36,512,700	36,512,700	36,512,700
	21	2043-2044	2043	0	602,700	35,910,000	36,497,600	36,497,600	36,497,600
	22	2044-2045	2044	0	587,600	35,910,000	36,482,900	36,482,900	36,482,900
	23	2045-2046	2045	0	572,900	35,910,000	36,468,600	36,468,600	36,468,600
	24	2046-2047	2046	0	558,600	35,910,000	36,454,600	36,454,600	36,454,600
	25	2047-2048	2047	0	544,600	35,910,000	35,910,000	35,910,000	35,910,000

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 **9/18/2019**
 Applicant Name **CUTLASS SOLAR LLC**
 ISD Name **NEEDVILLE 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	2020-2021	2020	10 FTE	66,222	0	0	0
	0	2021-2022	2021	220 FTE	66,222	0	0	0
	0	2022-2023	2022	220 FTE	66,222	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	3	68,100
	2	2024-2025	2024	N/A	N/A	0	3	68,100
	3	2025-2026	2025	N/A	N/A	0	3	68,100
	4	2026-2027	2026	N/A	N/A	0	3	68,100
	5	2027-2028	2027	N/A	N/A	0	3	68,100
	6	2028-2029	2028	N/A	N/A	0	3	68,100
	7	2029-2030	2029	N/A	N/A	0	3	68,100
	8	2030-2031	2030	N/A	N/A	0	3	68,100
	9	2031-2032	2031	N/A	N/A	0	3	68,100
10	2032-2033	2032	N/A	N/A	0	3	68,100	
Years Following Value Limitation Period	11 through 25	2032-2046	2032-2046	N/A	N/A	0	3	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 Yes No
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
 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 **9/18/2019**
 Applicant Name **CUTLASS SOLAR LLC**
 ISD Name **NEEDVILLE 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: Fort Bend	2022	10	ANNUAL AVG - \$488,551	SEE BELOW	ANNUAL AVG - \$136,636
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Fort Bend Drainage District	2022	10	ANNUAL AVG - \$20,882	N/A	ANNUAL AVG - \$5,840
Local Government Code Chapters 380/381	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
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				\$ 509,433		\$ 142,476

Additional information on incentives for this project:

Abatement Terms: Both of the abatements have the same Terms for 10 years as follows 85%--85%--80%--80%--80%--70%--60%--50%--40%--20%

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 ➔

Curtis Rhodes

Print Name (Authorized School District Representative)

Superintendent

Title

sign here ➔

Curtis Rhodes

Signature (Authorized School District Representative)

5/20/2020

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 ➔

Jonathan Winslow

Print Name (Authorized Company Representative (Applicant))

Vice President

Title

sign here ➔

Jonathan Winslow

Signature (Authorized Company Representative (Applicant))

5/20/2020

Date

This instrument was acknowledged before me by means of an interactive two-way audio and video communication. This notarial act was an online notarization.



(Notary Seal)

GIVEN under my hand and seal of office this, the

20th day of May
Miranda Leal

Notary Public in and for the State of Texas

My Commission expires: 5/19/2023

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.