



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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TAB 1

Pages 1 through 9 of application

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Sara Leon
First Name: Sara, Last Name: Leon
Title: Principal
Firm Name: Sara Leon & Associates, LLC
Phone Number: 512-637-4244, Fax Number: 512-637-4245
Mobile Number: 913-220-1245, Email Address: sleon@saraleonlaw.com

4. On what date did the district determine this application complete? March 25, 2019
5. Has the district determined that the electronic copy and hard copy are identical? [X] Yes [ ] No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Aaron Smith
First Name: Aaron, Last Name: Smith
Title: Associate Director, Organization: EDF Renewables, Inc
Street Address: 601 Travis Street, Suite 1700
Mailing Address: 601 Travis Street, Suite 1700
City: Houston, State: TX, ZIP: 77002
Phone Number: 281-653-1749, Fax Number: Aaron.Smith@edf-re.com
Mobile Number: 913-220-1245, Business Email Address: Aaron.Smith@edf-re.com

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

Ryan Bennett
First Name: Ryan, Last Name: Bennett
Title: Project Development Manager, Organization: EDF Renewables, Inc
Street Address: 601 Travis Street, Suite 1700
Mailing Address: 601 Travis Street, Suite 1700
City: Houston, State: TX, ZIP: 77002
Phone Number: 281-921-6350, Fax Number: Ryan.Bennett@edf-re.com
Mobile Number: (optional), Business Email Address: Ryan.Bennett@edf-re.com

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

**SECTION 2: Applicant Information (continued)**

**4. Authorized Company Consultant (If Applicable)**

|                        |              |
|------------------------|--------------|
| Sam                    | Gregson      |
| First Name             | Last Name    |
| Senior Consultant      |              |
| Title                  |              |
| Cummings Westlake LLC  |              |
| Firm Name              |              |
| 713-266-4456           | 713-266-2333 |
| Phone Number           | Fax Number   |
| sgregson@cwlp.net      |              |
| Business Email Address |              |

**SECTION 3: Fees and Payments**

1. Has an application fee been paid to the school district?  Yes  No  
 The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.  
 1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.  
 For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
2. 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
3. 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**

1. What is the legal name of the applicant under which this application is made? Space City Solar Ranch, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32071507316
3. List the NAICS code 221114
4. 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**

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company
2. 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.
3. Is the applicant current on all tax payments due to the State of Texas?  Yes  No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  Yes  No  N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

**SECTION 9: Projected Timeline**

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

**SECTION 10: The Property**

1. Identify county or counties in which the proposed project will be located Wharton
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Wharton 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: <u>Wharton County; 100%; \$0.47396</u><br><i>(Name, tax rate and percent of project)</i>                     | City: _____<br><i>(Name, tax rate and percent of project)</i>   |
| Hospital District: <u>West Wharton Hosp; 100%; \$0.222</u><br><i>(Name, tax rate and percent of project)</i>         | Water District: <u>Louise Water Dist; 100%; \$0.14843</u><br><i>(Name, tax rate and percent of project)</i> |
| Other (describe): <u>Wharton County Jr.. Coll; 100%; \$0.14346</u><br><i>(Name, tax rate and percent of project)</i> | Other (describe): _____<br><i>(Name, tax rate and percent of project)</i>                                   |
5. Is the project located entirely within the ISD listed in Section 1? .....  Yes  No  
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? .....  Yes  No  
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

**SECTION 11: Investment**

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? ..... 20,000,000.00  
**Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? .....  Yes  No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
  - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
  - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
  - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? .....  Yes  No

**SECTION 14: Wage and Employment Information**

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? ..... 0
  
2. What is the last complete calendar quarter before application review start date:  
 First Quarter     Second Quarter     Third Quarter     Fourth Quarter of 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? ..... 3
  
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 ..... 777.75
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 919.05
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 1,310.00
  
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? .....  §313.021(5)(A) or  §313.021(5)(B)
  
9. What is the minimum required annual wage for each qualifying job based on the qualified property? ..... 47,790.60
  
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 47,800.00
  
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**.



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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TAB 2

*Proof of Payment of Application Fee*

Please find on the attached page, copy of the check for the \$75,000 application fee to Louise Independent School District.



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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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)

See Attached



## Franchise Tax Account Status

As of : 12/20/2019 12:31:19

**This page is valid for most business transactions but is not sufficient for filings with the Secretary of State**

| SPACE CITY SOLAR RANCH, LLC                |  |
|--|--|
| <b>Texas Taxpayer Number</b>               | 32071507316  |
| <b>Mailing Address</b>                     | 211 E 7TH ST STE 620 AUSTIN, TX<br>78701-3218            |
| <b>Right to Transact Business in Texas</b> | ACTIVE   |
| <b>State of Formation</b>                  | DE   |
| <b>Effective SOS Registration Date</b>     | 07/31/2019   |
| <b>Texas SOS File Number</b>               | 0803383121   |
| <b>Registered Agent Name</b>               | CORPORATION SERVICE<br>COMPANY DBA CSC - LAWYERS<br>INCO |
| <b>Registered Office Street Address</b>    | 211 E. 7TH STREET, SUITE 620<br>AUSTIN, TX 78701         |



## 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.

Space City Solar Ranch, LLC is requesting an Appraised Value Limitation from Louise Independent School District for the Space City Solar Ranch, LLC Project (the "Project"), a proposed solar powered electric generating facility in Wharton County. The proposed Louise ISD Project (this Application) would be constructed within a Reinvestment Zone that will be created by Wharton 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 not known by any other names. The Project IGNR Numbers are 21INR0341 and 21INR0342 which were both assigned April 10, 2019.

This application covers all qualified property in the reinvestment zone and project boundary within Louise ISD necessary for commercial operations.

The proposed Project is anticipated to have a total capacity of 300 MW all of which will be located in Louise 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 906,000 PV panels, 94 inverters, substation, Operations and Maintenance Building and Gen-Tie line within Louise ISD. The Applicant requests a Value Limitation for all materials 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, buildings and offices, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in 3Q 2020 with completion by December 31, 2021.



## TAB 5

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

With origins dating back to 1985, EDF Renewables, has a presence worldwide having built 16 GW of operating projects with an additional 1,000MW of renewable energy projects currently under construction. EDF Renewables has developed operating power projects supplying power on the West Coast, Mid-west and Northeast portions of the US.

EDF Renewables is a national wind and solar developer currently evaluating a large project pipeline of approximately 24GW of wind and solar project opportunities in Washington, Oregon, California, Nevada, Utah, Arizona, Colorado Wyoming, New Mexico, Texas, Oklahoma, Kansas, Nebraska North Dakota Minnesota, Iowa, Missouri, Arkansas, Louisiana Michigan, Illinois, Indiana, Ohio Kentucky North Carolina Alabama, Georgia, Florida, New York, Maine and new Jersey as well as locations in Canada and Mexico. With both domestic U.S and international opportunities, the company has the ability to locate projects of this type in any of these states and countries where favorable wind and solar conditions exist. The Applicant is actively assessing the financial viability and potential development of this project against other projects in the development pipeline that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets in other areas of the country that have statewide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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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)

|                                |        |
|--------------------------------|--------|
| Wharton County                 | - 100% |
| West Wharton Hospital District | - 100% |
| Wharton County Jr. College     | - 100% |
| Louise Water District          | - 100% |



## TAB 7

Description of Qualified Investment

Space City Solar Ranch, LLC proposes to construct a 300 MW ac (net capacity) Photovoltaic solar facility that would be sited southeast of Louise, Texas and West of Danevang, Texas in Wharton County. This application covers all qualified property within Louise ISD necessary for the commercial operations of the proposed solar project described in Tab 4. Approximately 906,000 PV panels, 94 inverters, Substation, Operations and Maintenance Building and Gen-Tie line would be located in Wharton County, all of which would be located in Louise ISD. The proposed project would interconnect to the ERCOT grid at CenterPoint's Hillje substation located approximately 2 miles southeast near Danavang, TX.

This application covers all qualified property in the reinvestment zone and project boundary within Louise ISD necessary for the commercial operations of the solar project.

Qualified Investment and Qualified Property includes 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, buildings and offices, 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.



TAB 8

Description of Qualified Property

Space City Solar Ranch, LLC proposes to construct a 300 MW ac (net capacity) Photovoltaic solar facility that would be sited southeast of Louise, TX and west of Danevang, TX in Wharton County. This application covers all qualified property within Louise ISD necessary for the commercial operations of the proposed solar project described in Tab 4. Approximately 906,000 PV panels, 94 inverters, Substation, Operations and Maintenance Building and Gen-Tie line would be located in Wharton County, all of which would be located in Louise ISD. The proposed project would interconnect to the ERCOT grid at CenterPoint's Hillje substation located approximately 2 miles southeast near Danavang, TX.

This application covers all qualified property in the reinvestment zone and project boundary within Louise ISD necessary for the commercial operations of the solar project.

Qualified Investment and Qualified Property includes 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, buildings and offices, 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.



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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TAB 9

Description of Land

Not applicable. The land on which the new buildings and new improvements will be built, is not being claimed as part of the qualified property described by §313.021(2)(A).



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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TAB 10

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

None



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



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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TAB 12

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

See Attached



**CUMMINGS WESTLAKE**  
PROPERTY TAX ADVISORS

September 11, 2019

Dr. Garth Oliver  
Superintendent  
Louise Independent School District  
408 2<sup>nd</sup> Street  
Louise, TX 77455

**Re: Chapter 313 Jobs Waiver Request**

Dear Superintendent Oliver,

Space City Solar Ranch, LLC requests that the Louise Independent School District's Board 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.

Space City Solar Ranch, LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 10 permanent jobs. The solar energy industry standard for committed jobs is one job for each 100MW. In line with the industry standard for job requirements, Space City Solar Ranch, LLC has committed to create three jobs for the project.

Solar projects create many 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. The permanent employees of a solar project maintain, and service solar panels, underground electrical connections, substations and other infrastructure associate 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,

Sam A. Gregson  
Senior Consultant  
Cummings Westlake, LLC



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

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TAB 13

Calculation of three possible wage requirements with TWC documentation

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

**SPACE CITY SOLAR RANCH, LLC  
TAB 13 TO CHAPTER 313 APPLICATION**

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

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED   |
|---------|------|-------------------|--------------|
| THIRD   | 2018 | \$ 767            | \$ 39,884    |
| FOURTH  | 2018 | \$ 787            | \$ 40,924    |
| FIRST   | 2019 | \$ 770            | \$ 40,040    |
| SECOND  | 2019 | \$ 787            | \$ 40,924    |
| AVERAGE |      | \$ 777.75         | \$ 40,443.00 |

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

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED   |
|---------|------|-------------------|--------------|
| THIRD   | 2018 | \$ 802            | \$ 41,704    |
| FOURTH  | 2018 | \$ 850            | \$ 44,200    |
| FIRST   | 2019 | \$ 812            | \$ 42,224    |
| SECOND  | 2019 | \$ 878            | \$ 45,656    |
| AVERAGE |      | \$ 835.50         | \$ 43,446.00 |
| X       |      | 110%              | 110%         |
|         |      | \$ 919.05         | \$ 47,790.60 |

**CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE**

| YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|------|-------------------|------------|
| 2018 | \$ 1,191          | \$ 61,909  |
| X    | 110%              | 110%       |
|      | \$ 1,310          | \$ 68,100  |

\* SEE ATTACHED TWC DOCUMENTATION

Amendment 2-1436-Louise ISD- Space City Solar Ranch, LLC-December 30, 2019

| Year | Period | Area    | Ownership | Industry Code | Industry              | Level | Average Weekly Wage |
|------|--------|---------|-----------|---------------|-----------------------|-------|---------------------|
| 2018 | 03     | Wharton | Total All | 10            | Total, All Industries | 0     | 767                 |
| 2018 | 04     | Wharton | Total All | 10            | Total, All Industries | 0     | 787                 |
| 2019 | 01     | Wharton | Total All | 10            | Total, All Industries | 0     | 770                 |
| 2019 | 02     | Wharton | Total All | 10            | Total, All Industries | 0     | 787                 |

Amendment 2-1436-Louise ISD- Space City Solar Ranch, LLC-December 30, 2019

| Year | Period | Area    | Ownership | Industry Code | Industry      | Level | Average Weekly Wage |
|------|--------|---------|-----------|---------------|---------------|-------|---------------------|
| 2018 | 03     | Wharton | Private   | 31-33         | Manufacturing | 2     | 802                 |
| 2018 | 04     | Wharton | Private   | 31-33         | Manufacturing | 2     | 850                 |
| 2019 | 01     | Wharton | Private   | 31-33         | Manufacturing | 2     | 812                 |
| 2019 | 02     | Wharton | Private   | 31-33         | Manufacturing | 2     | 878                 |

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

| COG   | COG Number                 | Wages          |                 |
|---|----------------------------|----------------|-----------------|
|   |                            | Hourly         | Annual          |
| <b>Texas</b>  |                            | <b>\$27.04</b> | <b>\$56,240</b> |
| <a href="#">Alamo Area Council of Governments</a>             | 18                         | \$22.80        | \$47,428        |
| <a href="#">Ark-Tex Council of Governments</a>                | 5                          | \$18.73        | \$38,962        |
| <a href="#">Brazos Valley Council of Governments</a>          | 13                         | \$18.16        | \$37,783        |
| <a href="#">Capital Area Council of Governments</a>           | 12                         | \$32.36        | \$67,318        |
| <a href="#">Central Texas Council of Governments</a>          | 23                         | \$19.60        | \$40,771        |
| <a href="#">Coastal Bend Council of Governments</a>           | 20                         | \$28.52        | \$59,318        |
| <a href="#">Concho Valley Council of Governments</a>          | 110% X \$61,909 = \$68,100 | \$21.09        | \$43,874        |
| <a href="#">Deep East Texas Council of Governments</a>        | 14                         | \$18.28        | \$38,021        |
| <a href="#">East Texas Council of Governments</a>             | 6                          | \$21.45        | \$44,616        |
| <a href="#">Golden Crescent Regional Planning Commission</a>  | 17                         | \$28.56        | \$59,412        |
| <a href="#">Heart of Texas Council of Governments</a>         | 11                         | \$22.71        | \$47,245        |
| <b>Houston-Galveston Area Council</b>                         | <b>16</b>                  | <b>\$29.76</b> | <b>\$61,909</b> |
| <a href="#">Lower Rio Grande Valley Development Council</a>   | 21                         | \$17.21        | \$35,804        |
| <a href="#">Middle Rio Grande Development Council</a>         | 24                         | \$20.48        | \$42,604        |
| <a href="#">NORTEX Regional Planning Commission</a>           | 3                          | \$25.14        | \$52,284        |
| <a href="#">North Central Texas Council of Governments</a>    | 4                          | \$27.93        | \$58,094        |
| <a href="#">Panhandle Regional Planning Commission</a>        | 1                          | \$24.19        | \$50,314        |
| <a href="#">Permian Basin Regional Planning Commission</a>    | 9                          | \$25.90        | \$53,882        |
| <a href="#">Rio Grande Council of Governments</a>             | 8                          | \$18.51        | \$38,493        |
| <a href="#">South East Texas Regional Planning Commission</a> | 15                         | \$36.26        | \$75,430        |
| <a href="#">South Plains Association of Governments</a>       | 2                          | \$20.04        | \$41,691        |
| <a href="#">South Texas Development Council</a>               | 19                         | \$17.83        | \$37,088        |
| <a href="#">Texoma Council of Governments</a>                 | 22                         | \$21.73        | \$45,198        |
| <a href="#">West Central Texas Council of Governments</a>     | 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.



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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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: 8/27/2019  
Applicant Name: SPACE CITY SOLAR RANCH, LLC  
ISD Name: LOUISE ISD

| PROPERTY INVESTMENT AMOUNTS<br>(Estimated investment in each year. Do not put cumulative totals.)                                |      |  |   |   |   |   |  |  |
|--|------|--|---|---|---|---|--|--|
|  | Year | School Year<br>(YYYY-YYYY)   | Tax Year<br>(Fill in actual tax year below)<br>YYYY | Column A<br>New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property | Column B<br>New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property | Column C<br>Other new investment made during this year that will not become Qualified Property [SEE NOTE] | Column D<br>Other new investment made during this year that may become Qualified Property [SEE NOTE] | Column E<br>Total Investment<br>(Sum of Columns A+B+C+D) |
| Investment made before filing complete application with district   |      |  |   | Not eligible to become Qualified Property   |   |   |  | 0  |
| Investment made after filing complete application with district, but before final board approval of application                  | -    | Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period) | 2020  | 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 |      |  |   | 14,827,830  | 0   | 0   | 0  | 14,827,830   |
| Complete tax years of qualifying time period   | QTP1 | 2021-2022  | 2021  | 281,478,770   | 250,000   | 0   | 0  | 281,728,770  |
|  | QTP2 | 2022-2023  | 2022  | 0   | 0   | 0   | 0  | 0  |
| <b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>   |      |  |   | 296,306,600   | 250,000   | 0   | 0  | 296,556,600  |
| <b>Total Qualified Investment (sum of green cells)</b>   |      |  |   | 296,556,600   |   |   |  |  |

Enter amounts from TOTAL row above in Schedule A2

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 313.02(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: 8/27/2019  
Applicant Name: SPACE CITY SOLAR RANCH, LLC  
ISD Name: LOUISE ISD

| PROPERTY INVESTMENT AMOUNTS<br>(Estimated Investment in each year. Do not put cumulative totals.)  |                            |  |   |   |   |   |             |                               |                               |
|--|----------------------------|--|---|---|---|---|-------------|-------------------------------|-------------------------------|
| Year   | School Year<br>(YYYY-YYYY) | Tax Year<br>(Fill in actual tax<br>year below)<br>YYYY | Column A  | Column B  | Column C  | Column D  | Column E    | Total Investment<br>(A+B+C+D) | Total Investment<br>(A+B+C+D) |
|  |                            |  | 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 from Schedule A1*   |                            |  | 296,306,600   | 250,000   | 0   | 0   | 296,556,600 | 296,556,600                   | 0                             |
| Each year prior to start of value limitation period**<br><i>(insert as many rows as necessary)</i> |                            |  | 0   | 0   | 0   | 0   | 0           | 0                             | 0                             |
| Value limitation period***   |                            |  | 0   | 0   | 0   | 0   | 0           | 0                             | 0                             |
| Continue to maintain viable presence   |                            |  | 0   | 0   | 0   | 0   | 0           | 0                             | 0                             |
| Additional years for 25 year economic impact as required by 313.026(c)(1)                          |                            |  | 0   | 0   | 0   | 0   | 0           | 0                             | 0                             |
| Total Investment made through limitation   |                            |  | 296,306,600   | 250,000   | 0   | 0   | 296,556,600 | 296,556,600                   | 0                             |
| 11   | 2032-2033                  | 2032   |   |   |   |   |             |                               |                               |
| 12   | 2033-2034                  | 2033   |   |   |   |   |             |                               |                               |
| 13   | 2034-2035                  | 2034   |   |   |   |   |             |                               |                               |
| 14   | 2035-2036                  | 2035   |   |   |   |   |             |                               |                               |
| 15   | 2036-2037                  | 2036   |   |   |   |   |             |                               |                               |
| 16   | 2037-2038                  | 2037   |   |   |   |   |             |                               |                               |
| 17   | 2038-2039                  | 2038   |   |   |   |   |             |                               |                               |
| 18   | 2039-2040                  | 2039   |   |   |   |   |             |                               |                               |
| 19   | 2040-2041                  | 2040   |   |   |   |   |             |                               |                               |
| 20   | 2041-2042                  | 2041   |   |   |   |   |             |                               |                               |
| 21   | 2042-2043                  | 2042   |   |   |   |   |             |                               |                               |
| 22   | 2043-2044                  | 2043   |   |   |   |   |             |                               |                               |
| 23   | 2044-2045                  | 2044   |   |   |   |   |             |                               |                               |
| 24   | 2045-2046                  | 2045   |   |   |   |   |             |                               |                               |
| 25   | 2046-2047                  | 2046   |   |   |   |   |             |                               |                               |

\* 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)**

**Form 50-296A**  
Revised May 2014

8/27/2019  
SPACE CITY SOLAR RANCH, LLC  
LOUISE ISD

Date  
Applicant Name  
ISD Name

| 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 |
| 0    | 2020-2021               | 2020                                    | 0                              | 0   | 0  | 0  | 0  | 0  |
| 1    | 2022-2023               | 2022                                    | 0                              | 250,000   | 140,739,385  | 140,739,385  | 140,739,385                                      | 140,739,385                                      |
| 2    | 2023-2024               | 2023                                    | 0                              | 243,800   | 193,265,936  | 193,265,936  | 193,265,936                                      | 193,265,936                                      |
| 3    | 2024-2025               | 2024                                    | 0                              | 237,700   | 177,779,751  | 178,023,551  | 178,023,551                                      | 178,023,551                                      |
| 4    | 2025-2026               | 2025                                    | 0                              | 231,800   | 161,068,786  | 161,306,486  | 161,306,486                                      | 161,306,486                                      |
| 5    | 2026-2027               | 2026                                    | 0                              | 226,000   | 143,008,489  | 143,240,289  | 143,240,289                                      | 143,240,289                                      |
| 6    | 2027-2028               | 2027                                    | 0                              | 220,400   | 123,515,824  | 123,741,824  | 123,741,824                                      | 123,741,824                                      |
| 7    | 2028-2029               | 2028                                    | 0                              | 214,900   | 102,466,236  | 102,686,636  | 102,686,636                                      | 102,686,636                                      |
| 8    | 2029-2030               | 2029                                    | 0                              | 209,500   | 79,735,173   | 79,950,073   | 79,950,073                                       | 79,950,073                                       |
| 9    | 2030-2031               | 2030                                    | 0                              | 204,300   | 55,177,321   | 55,386,821   | 55,386,821                                       | 55,386,821                                       |
| 10   | 2031-2032               | 2031                                    | 0                              | 199,200   | 41,517,924   | 41,722,224   | 41,722,224                                       | 41,722,224                                       |
| 11   | 2032-2033               | 2032                                    | 0                              | 194,200   | 41,517,924   | 41,712,124   | 41,712,124                                       | 41,712,124                                       |
| 12   | 2033-2034               | 2033                                    | 0                              | 189,300   | 41,517,924   | 41,707,224   | 41,707,224                                       | 41,707,224                                       |
| 13   | 2034-2035               | 2034                                    | 0                              | 184,600   | 41,517,924   | 41,702,524   | 41,702,524                                       | 41,702,524                                       |
| 14   | 2035-2036               | 2035                                    | 0                              | 180,000   | 41,517,924   | 41,697,924   | 41,697,924                                       | 41,697,924                                       |
| 15   | 2036-2037               | 2036                                    | 0                              | 175,500   | 41,517,924   | 41,693,424   | 41,693,424                                       | 41,693,424                                       |
| 16   | 2037-2038               | 2037                                    | 0                              | 171,100   | 41,517,924   | 41,689,024   | 41,689,024                                       | 41,689,024                                       |
| 17   | 2038-2039               | 2038                                    | 0                              | 166,800   | 41,517,924   | 41,684,724   | 41,684,724                                       | 41,684,724                                       |
| 18   | 2039-2040               | 2039                                    | 0                              | 162,600   | 41,517,924   | 41,680,524   | 41,680,524                                       | 41,680,524                                       |
| 19   | 2040-2041               | 2040                                    | 0                              | 158,500   | 41,517,924   | 41,676,424   | 41,676,424                                       | 41,676,424                                       |
| 20   | 2041-2042               | 2041                                    | 0                              | 154,500   | 41,517,924   | 41,672,424   | 41,672,424                                       | 41,672,424                                       |
| 21   | 2042-2043               | 2042                                    | 0                              | 150,600   | 39,442,028   | 39,592,628   | 39,592,628                                       | 39,592,628                                       |
| 22   | 2043-2044               | 2043                                    | 0                              | 146,800   | 39,442,028   | 39,588,828   | 39,588,828                                       | 39,588,828                                       |
| 23   | 2044-2045               | 2044                                    | 0                              | 143,100   | 39,442,028   | 39,585,128   | 39,585,128                                       | 39,585,128                                       |
| 24   | 2045-2046               | 2045                                    | 0                              | 139,500   | 39,442,028   | 39,581,528   | 39,581,528                                       | 39,581,528                                       |
| 25   | 2046-2047               | 2046                                    | 0                              | 136,000   | 39,442,028   | 39,578,028   | 39,578,028                                       | 39,578,028                                       |

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

Form 50-296A  
Revised May 2014

8/27/2019  
SPACE CITY SOLAR RANCH, LLC  
LOUISE ISD

Date  
Applicant Name  
ISD Name

|  | Year                | School Year<br>(YYYY-YYYY) | Tax Year<br>(Actual tax year)<br>YYYY | Construction  |  | Non-Qualifying Jobs   |  | Qualifying Jobs   |        |
|--|---------------------|----------------------------|---------------------------------------|---|--|---|--|---|--------|
|  |                     |                            |                                       | Column A<br>Number of Construction<br>FTE's or man-hours<br>(specify) | Column B<br>Average annual wage<br>rates for construction<br>workers | Column C<br>Number of non-qualifying<br>jobs applicant estimates it<br>will create (cumulative) | Column D<br>Number of new qualifying<br>jobs applicant commits to<br>create meeting all criteria<br>of Sec. 313.021(3)<br>(cumulative) | Column E<br>Average annual wage of<br>new qualifying jobs |        |
| Each year prior to start of<br>Value Limitation Period<br><i>Insert as many rows as necessary.</i><br>Each year prior to start of<br>Value Limitation Period<br><i>Insert as many rows as necessary.</i> | 0                   | 2020-2021                  | 2020                                  | 200 FTE   | 55,000   | 0   | 0  | 0   | 0      |
|  | 0                   | 2021-2022                  | 2021                                  | 500 FTE   | 55,000   | 0   | 0  | 0   | 0      |
|  | 1                   | 2022-2023                  | 2022                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 2                   | 2023-2024                  | 2023                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 3                   | 2024-2025                  | 2024                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 4                   | 2025-2026                  | 2025                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 5                   | 2026-2027                  | 2026                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 6                   | 2027-2028                  | 2027                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 7                   | 2028-2029                  | 2028                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 8                   | 2029-2030                  | 2029                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
| Years Following<br>Value Limitation Period   | 9                   | 2030-2031                  | 2030                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 10                  | 2031-2032                  | 2031                                  | N/A   | N/A  | 0   | 0  | 3   | 47,800 |
|  | 11<br>through<br>25 | 2031-2046                  | 2031-2046                             | N/A   | N/A  | 0   | 0  | 3   | 47,800 |

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

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25  
qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
- If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)?
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?

Yes  No

Yes  No

Yes  No

Schedule D: Other Incentives (Estimated)

Date: 8/27/2019  
 Applicant Name: SPACE CITY SOLAR RANCH, LLC  
 ISD Name: LOUISE 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<br>City: N/A<br>Other: N/A | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Tax Code Chapter 312  | County: N/A<br>City: N/A<br>Other: N/A | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Local Government Code Chapters 380/381  | County: N/A<br>City: N/A<br>Other: N/A | 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                               | N/A              | N/A                 |
| Texas Enterprise Fund   | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Employee Recruitment  | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Skills Development Fund   | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Training Facility Space and Equipment   | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Infrastructure Incentives   | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Permitting Assistance   | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Other:  | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Other:  | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Other:  | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| Other:  | N/A                                    | N/A                       | N/A                 | N/A                               | N/A              | N/A                 |
| <b>TOTAL</b>  |  |                           |                     | 0                                 |                  | 0                   |

Additional information on incentives for this project:

County Terms:



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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TAB 15

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

None



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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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) Will be provided once Wharton County creates the Reinvestment Zone.
- c) Will be provided once Wharton County creates the Reinvestment Zone.
- d) See attached

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

**Section 1. Definitions**

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

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

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

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

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

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

## Section 2. Criteria for Granting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Section 3. Application**

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

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

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

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

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

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

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

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

## **Section 7. Administration**

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

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

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

### **Section 8. Assignment**

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

## Section 9. Default and Recapture

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

## Section 10. Concurrent Abatements

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

## Section 11. Confidentiality

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

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

## Section 12. Severability

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

## Section 13. Sunset Provision

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

## Section 14. Discretion of the County

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

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

*Adopted on December 9, 2019 by the Wharton County Commissioners Court.*

*100 S. Fulton Street,  
Suite 100  
Wharton, TX 77488*



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

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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

Dr. Garth Oliver  
Print Name (Authorized School District Representative)

Superintendent  
Title

sign here

[Handwritten Signature]  
Signature (Authorized School District Representative)

12/2020  
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

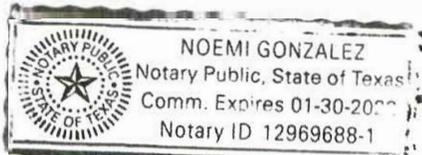
Aaron Smith  
Print Name (Authorized Company Representative (Applicant))

Associate Director  
Title

sign here

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

12/30/19  
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

30 day of December 2019

[Handwritten Signature]  
Notary Public in and for the State of Texas

My Commission expires: Jan 30, 2022

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