

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

November 12, 2019

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

RE: Amendment001 to the Post Independent School District from Antelope Flats Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Amendment001 to Post ISD from Antelope Flats Wind, LLC. The following changes have been made:

1. Section 10 Q1. Per the map provided, Project boundary is located in Garza, therefore only list Garza. (Remove Lynn) - **Updated**
2. Tab 7 & 8. Add language. "This application covers all qualified property in the reinvestment zone and project boundary within Post ISD." - **Updated**
3. Section 14.
 - a. Question 7a. The wages for 7a (all industries) must be set to ownership "Total All." (Ownership was entered as "Private" – which is only correct for the 7b wages). Under Tab 13, please provide a new "Quarterly Employment and Wages (QCEW)" reflecting the change to "Total All." - **Updated**
 - b. Question 7c. Should be **881.93** ($41,691/52 = 801.75$, $801.75 * 1.1 = 881.925 = 881.93$) - **Updated**
 - c. Question 9. Updated to 45,860.1 - **Updated**
 - d. Question 10. Will need to update to meet minimum. Also update Schedule C with new wage. - **Updated**
4. Schedule A1. Section 9 states the 1st full QTP year will be 2021 (2021-2022). Schedule A1 has the 1st QTP as 2023 you will need to correct. Also update Note 2 which states "Note 2: QTP period begins 1/2/2023" - **Updated**
5. Schedule D. Annual Incentive should be listed as a percent - **Updated**
6. Tab 11 Maps. You will need to make the Project Boundary and RZ lines a solid and darker color. I am unable to distinguish one line from the other.
 - a. Make sure the Roads are dark and pronounced. Also that the Road name is labeled and clear to see. - **Updated**
7. Question from Comptroller (Tab 2): 2 Dates provided, when was the ISD paid?"

The Post ISD was paid by means of a UPS overnight package (UPS tracking number 1Z99YA531592683629) on October 8, 2019 by means of confirmed delivery to the attention of Mr. Heath Dickson, the Post ISD Superintendent. The check "cleared" our bank on October 11, 2019.

Question from Comptroller (Tab 2): *“The district received the application on May 15, 2019, is there any reason the fee was received after this date?”*

The fee paid to Post ISD was received after that date for two, primary reasons. First, and most importantly, on May 15, 2019 the School Board was not ready to confirm with Lincoln Clean Energy (LCE) who their law firm/consultant was going to be in our application process OR, for that matter, what the fee was going to be. So, on May 15, 2019 there was not a confirmation of either the Payee or the amount of the check to be cut to Post ISD for our application. Second, once the payee (i.e. Moak Casey) was confirmed, as well as the amount, LCE did cut the check but due to an issue inside LCE—having nothing to do with Post ISD—the check was inadvertently cancelled and had to be reissued. Once the reissued check was obtained, it was sent out to the Post ISD and received by them on October 8, 2019.

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Garza County Appraisal District
Antelope Flats Wind, LLC

Texas Comptroller of Public Accounts

SECTION 9: Projected Timeline

- 1. Application approval by school board February 2020
- 2. Commencement of construction Q1 2022
- 3. Beginning of qualifying time period 1/2/2020
- 4. First year of limitation 1/1/2023
- 5. Begin hiring new employees Q1 2023
- 6. Commencement of commercial operations Q4 2022
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (*date your application is finally determined to be complete*)? Yes No
- Note:** Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? Q4 2021

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Garza
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Garza 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>Garza, \$0.6554, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Garza County HD, \$0.1649, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>High Plains UWD, \$0.007319, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 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

Texas Comptroller of Public Accounts

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? 4
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 779.50
 b. 110% of the average weekly wage for manufacturing jobs in the county is No wage data available
 c. 110% of the average weekly wage for manufacturing jobs in the region is 881.93
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? 45,860.10
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 45,860.10
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

Tab Item 7

Description of Qualified Investment

Antelope Flats Wind, LLC plans to construct a 155 MW wind farm in Garza County consisting of approximately 55 turbines.

The Applicant is requesting an appraised value limitation on all the property constructed or placed upon the real property within Post ISD. The qualified investment in Post ISD is expected to include approximately fifty five (55) GE 2.82MW wind turbine generators, including 89m towers, nacelles, rotors with 127m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, access roads, meteorological towers, and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the western part of Garza County and eastern part of Lynn County. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the Project will also include an operations and maintenance building that will likely be in the approximate center of the Project. (It is also shown on the map in Tab 11.) The Project will also require a series of new access roads to the turbines, underground electrical collection cables, permanent meteorological towers, a substation, and an overhead transmission line connecting the project substation to the Point of Interconnection.

The Point of Interconnection and a portion of the Project's transmission line are located outside of Garza County. The Qualified Investment that is the subject of this application does not include any Project facilities located outside of Garza County.

The 2,000 ft. of road constructed on the project in late 2016 to assist with Production Tax Credit qualification will not be part of the qualified investment or qualified property.

This application covers all qualified property and qualified investment in the reinvestment zone and project boundary within Post ISD.

Tab Item 8

Description of Qualified Property

Antelope Flats Wind, LLC plans to construct a 155 MW wind farm in Garza County consisting of approximately 55 turbines.

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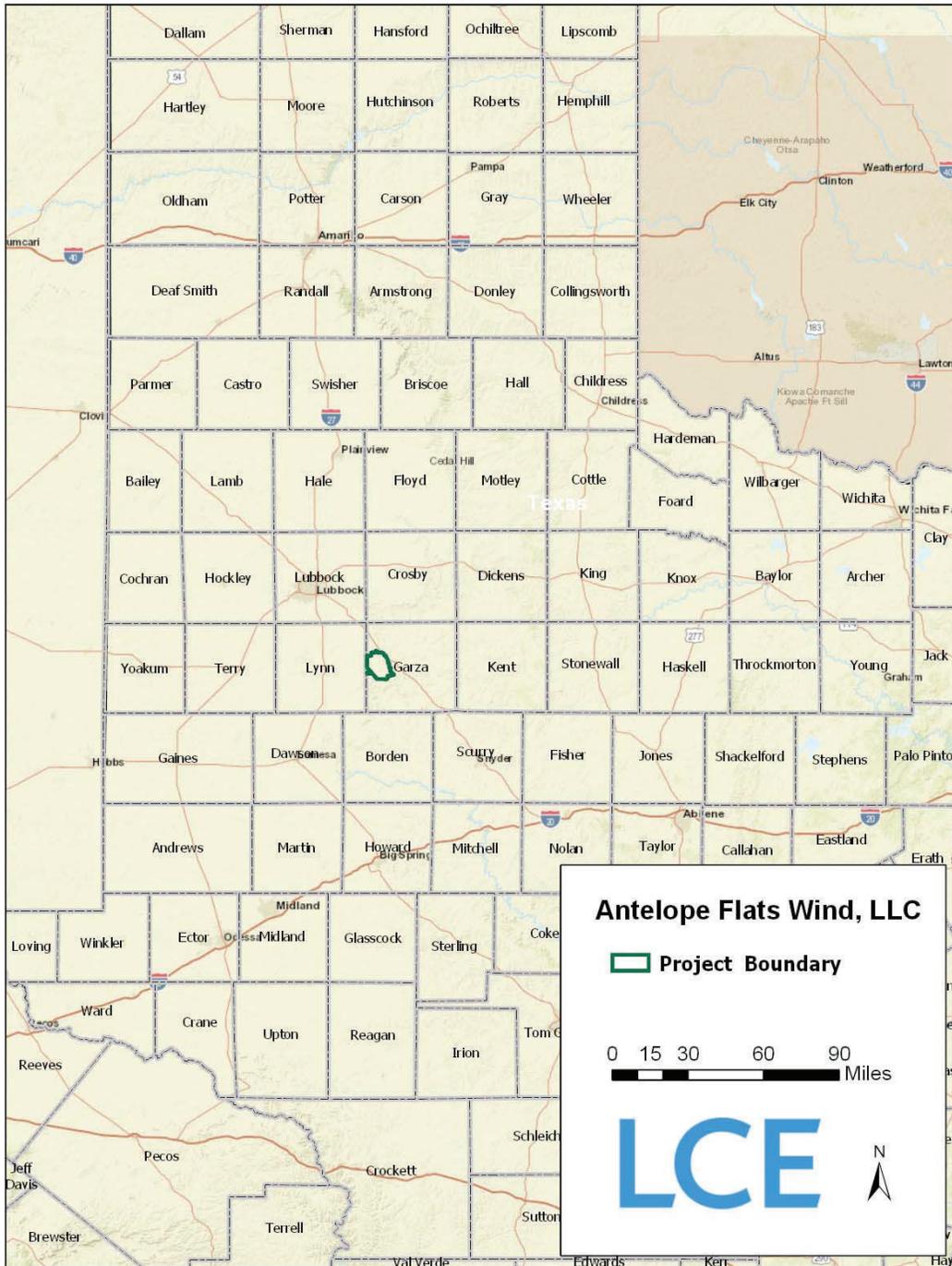
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This application covers all qualified property and qualified investment in the reinvestment zone and project boundary within Post ISD.

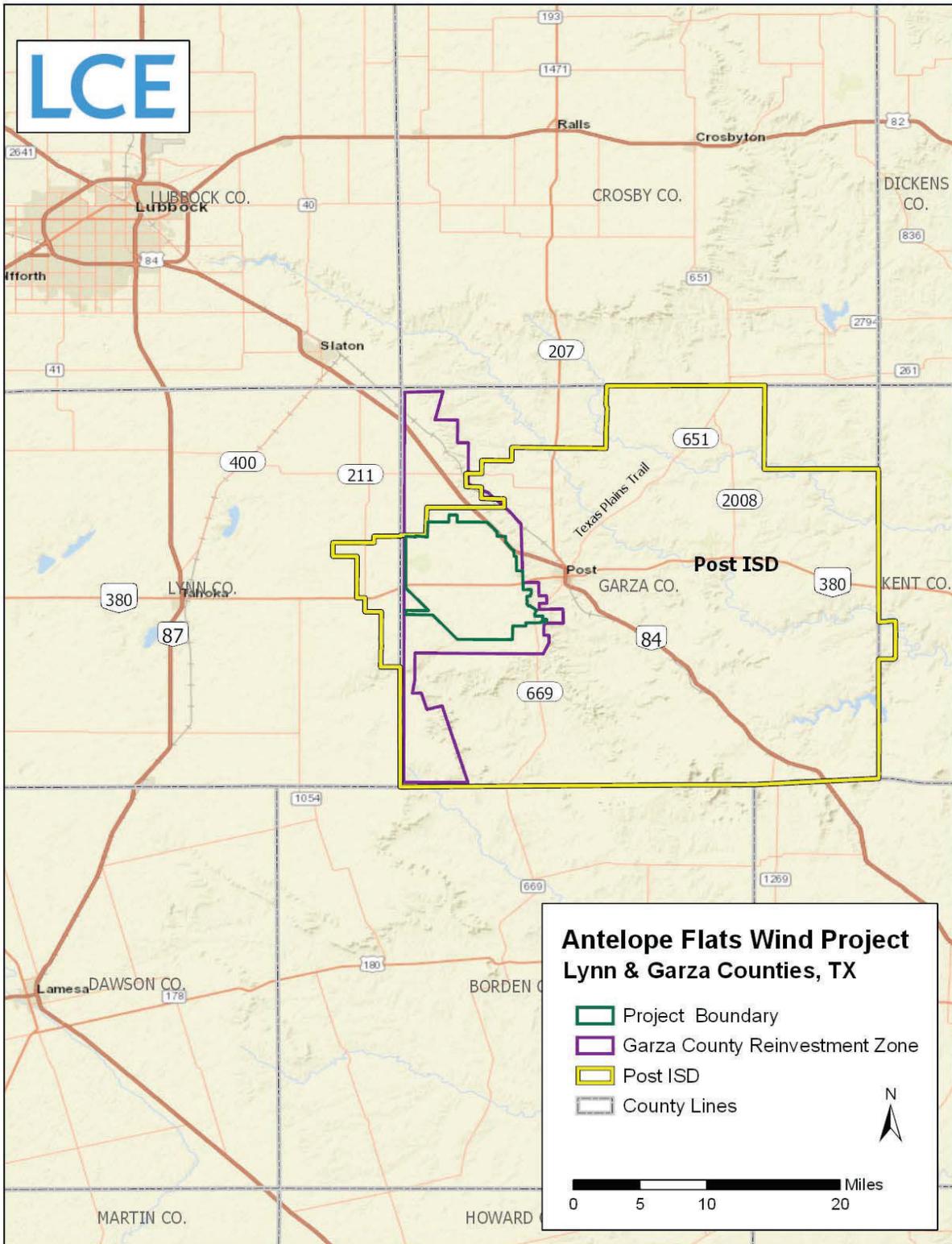
Tab Item 11

Maps

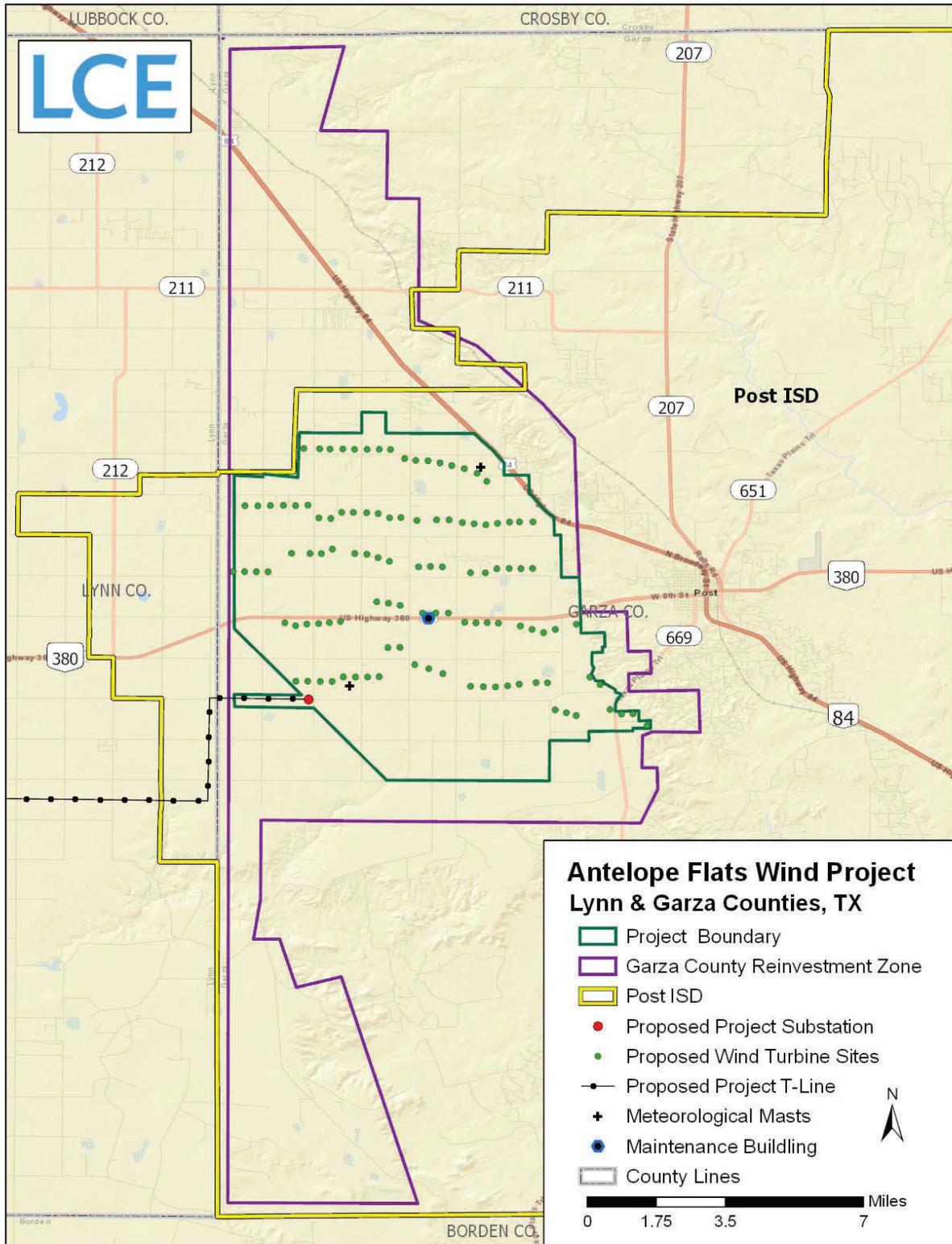
Vicinity Map:



Location of Lynn County, Garza County, Post ISD, Lynn County RZ, Garza County RZ, Project Boundary



Location of Post ISD Boundary, County Boundary, Reinvestment Zone, Project Boundary, Qualified Investment, and Qualified Property:



Tab Item 13

Calculation of three possible wage requirements with TWC documentation

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for All Jobs (All Industries) in Garza County

Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly Wages
2018	2 nd Qtr	Garza	Total All	10	Total, All Industries	\$751
2018	3 rd Qtr	Garza	Total All	10	Total, All Industries	\$740
2018	4 th Qtr	Garza	Total All	10	Total, All Industries	\$834
2019	1 st Qtr	Garza	Total All	10	Total, All Industries	\$793
Average						\$779.50

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2019	01	Garza	Total All	10	Total, All Industries	0	\$ 793.00
2018	02	Garza	Total All	10	Total, All Industries	0	\$ 751.00
2018	03	Garza	Total All	10	Total, All Industries	0	\$ 740.00
2018	04	Garza	Total All	10	Total, All Industries	0	\$ 834.00
Total							\$ 3,118.00
Avg							\$ 779.50

Region							
Annual		\$	41,691.00				
	1.1	\$	45,860.10				
		\$	881.93				

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Region

Garza County is included in the South Plains Association of Governments. The most recently reported (2018) average wage for the South Plains Association of Governments is \$41,691.

$$\$41,691 / 52 = \$801.75$$

$$110\% \text{ of } \$801.75 = \$881.925 = \$881.93$$

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

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

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

Data published: July 2019

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

Annual wage figure assumes a 40-hour work week.

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

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

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

Date 10.29.19
 Applicant Name Antelope Flats Wind, LLC
 ISD Name Post ISD

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

1437-Post-Antelope Flats-Amendment001
 November 12, 2019

Revised May 2014

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district	2019	2019-2020	2019 (see Note 1)	Not eligible to become Qualified Property				[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application									
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period									
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	2020	2020	2021					\$0	
Complete tax years of qualifying time period	2021	2021-2022	2021					\$0	
	2022	2022-2023	2022	\$161,000,000	\$1,000,000			\$162,000,000	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$161,000,000	\$1,000,000	\$0	\$0	\$162,000,000	
Total Qualified Investment (sum of green cells)				\$162,000,000					

Note 1: 2019 is NOT part of the Qualifying Time Period. □

Note 2: The Qualifying Time Period begins on 1/1/2021.

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

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

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

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

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

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

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

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

Schedule D: Other Incentives (Estimated)

Date: 10.29.19

Applicant Name:

Antelope Flats Wind, LLC

ISD Name

Post ISD

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Garza County	2023	10 years	\$1,061,748	95%	\$48,438
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Garza County Hospital District	2023	10 years	\$ 267,138	82%	\$ 48,438
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				\$1,061,748	\$387,660	\$318,000

Additional information on incentives for this project:

Annual Net Tax Levy (Garza County and Garza County Hospital District) Years 1-5: \$312.50/MW
Annual Net Tax Levy (Garza County and Garza County Hospital District) Years 6-10: \$375.00/MW

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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 ▶ Heath Dickson
Print Name (Authorized School District Representative)

Superintendent
Title

sign here ▶ *Heath Dickson*
Signature (Authorized School District Representative)

11-11-19
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

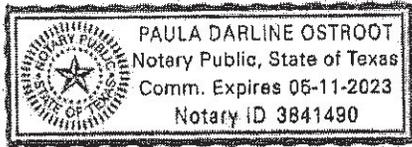
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ PHILIP MAORE
Print Name (Authorized Company Representative (Applicant))

SVP
Title

sign here ▶ *Philip Maore*
Signature (Authorized Company Representative (Applicant))

11/11/2019
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

11 day of November
Paula Darline Ostroot
Notary Public in and for the State of Texas

My Commission expires: 5/11/2023

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