

January 30, 2020

Via Hand Delivery and Electronic Mail

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 E. 17th Street
Austin, Texas 78774

Re: Application #1444 for a Chapter 313 Value Limitation Agreement between the Veribest Independent School District and Brushy Creek Solar LLC

First Year of Qualifying Time Period: January 1, 2021

First Year of Limitation Period: January 1, 2023

Dear Local Government Assistance and Economic Analysis Division:

Pursuant to your request for additional information in your January 15, 2020 email correspondence, please find attached Amendment #001 to Application #1444. The following changes were made to the amended Application pages:

- *Application Section 10, Question 4: Please submit via email the website for Tom Green County Tax rate (0.5350).*

The data comes from the Comptroller's website: <https://comptroller.texas.gov/taxes/property-tax/rates/index.php>. The data is from the 2017 county tax rate information, which was the most recent on the Comptroller's website when the Application was first drafted.

- *Section 14: Please note TWC has released 1st and 2nd quarters wages for 2019 in QCEW. As such, wages for Questions 7(a), 7(b), 7(c), and Tab 13 must be updated to reflect the 4 most recent quarters. Please review your answers to Questions 7-10.*

Answers to Application Section 14, Questions 7-10 have been updated to reflect the most recent data provided by TWC. New wage calculations are provided in the attached Tab 13.

- *Tab 5: Please advise why you need a Chapter 313.*

Please see the attached Tab 5 stating that the value limitation is a determining factor in locating the project to Texas.

- *Tab 11, Map Revision: Please provide a contiguous labeled project boundary map and reinvestment zone within Veribest ISD and the county. Also the area that is not included in the reinvestment zone should also be outlined in whatever color you use for the Reinvestment Zone.*

Please see the attached project boundary map that has been updated to conform with the Comptroller's requirements.

- *Tab 17, Authorized Signatures:* An updated signature page is attached.

The following answers were provided by the Applicant pursuant to the Additional Questions asked by the Comptroller:

1. *Is Brushy Creek Solar, LLC currently known by any other project names?*

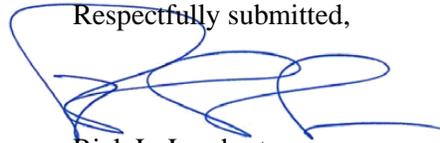
The project is also known as the Brushy Creek Solar Project and as San Angelo I, LLC.

2. *Please also list any other names by which this project may have been known in the past—in media reports, investor presentations, or any listings with any federal or state agency.*

To the extent the project has been mentioned in media reports, investor presentations, state or federal agency, the names listed in the response to Question 1 would be responsive.

Thank you so much for your attention to the foregoing. Please do not hesitate to contact me should you have any questions.

Respectfully submitted,



Rick L. Lambert

RLL;sl

cc: *Via Electronic Mail:* bill.b@tomgreencad.com
Mr. Bill Benson, Chief Appraiser, Tom Green County Appraisal District

Via Electronic Mail: ryder.appleton@veribestisd.net
Mr. Ryder Appleton, Superintendent of Schools, Veribest Independent School District

Via Electronic Mail: denise.dusek@veribestisd.net
Ms. Denise Dusek, Business and Finance Manager, Veribest Independent School District

Via Electronic Mail: sgregson@cwlp.net
Mr. Sam Gregson, Senior Consultant, Cummings Westlake LLC

Via Electronic Mail: Bill.Gulley@baywa-re.com
Mr. Bill Gulley, Chief Financial Officer, Brushy Creek Solar LLC

Via Electronic Mail: ahudson@hc-inc.com
Ms. Ana Hudson, Controller, BayWa R.E.

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? 1
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 845.50
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,367.30
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 928.10
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? 48,261.40
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 48,300.00
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**.

**BRUSHY CREEK SOLAR LLC
 TAB 13 TO CHAPTER 313 APPLICATION**

**TOM GREEN COUNTY
 CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
THIRD	2018	\$ 816	\$ 42,432
FOURTH	2018	\$ 868	\$ 45,136
FIRST	2019	\$ 846	\$ 43,992
SECOND	2019	\$ 852	\$ 44,304
AVERAGE		\$ 845.50	\$ 43,966

**TOM GREEN COUNTY
 CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
THIRD	2018	\$ 1,102	\$ 57,304
FOURTH	2018	\$ 1,360	\$ 70,720
FIRST	2019	\$ 1,251	\$ 65,052
SECOND	2019	\$ 1,259	\$ 65,468
AVERAGE		\$ 1,243.00	\$ 64,636.00
X		110%	110%
		\$ 1,367.30	\$ 71,099.60

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

YEAR	AVG WEEKLY WAGES*	ANNUALIZED
2018	\$ 844	\$ 43,874
X	110%	110%
	\$ 928.10	\$ 48,261.40

* SEE ATTACHED TWC DOCUMENTATION

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	03	Tom Green	Total All	10	Total, All Industries	0	816
2018	04	Tom Green	Total All	10	Total, All Industries	0	868
2019	01	Tom Green	Total All	10	Total, All Industries	0	846
2019	02	Tom Green	Total All	10	Total, All Industries	0	852

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	03	Tom Green	Private	31-33	Manufacturing	2	1,102
2018	04	Tom Green	Private	31-33	Manufacturing	2	1,360
2019	01	Tom Green	Private	31-33	Manufacturing	2	1,251
2019	02	Tom Green	Private	31-33	Manufacturing	2	1,259

**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	110% X \$43.874 = \$48,261.40	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Capital Area Council of Governments	12	\$32.36	\$67,318
Central Texas Council of Governments	23	\$19.60	\$40,771
Coastal Bend Council of Governments	20	\$28.52	\$59,318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44,616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Council of Governments	11	\$22.71	\$47,245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17.21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58,094
Panhandle Regional Planning Commission	1	\$24.19	\$50,314
Permian Basin Regional Planning Commission	9	\$25.90	\$53,882
Rio Grande Council of Governments	8	\$18.51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37,088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Council of Governments	7	\$21.84	\$45,431

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

Data published: July 2019

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

Annual wage figure assumes a 40-hour work week.

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

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

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



TAB 5

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

The international trading conglomerate BayWa AG pools all its renewable activities in its subsidiary BayWa r.e. (r.e. stands for “renewable energy”), active in the wind, solar, geothermal and biogas industries. Headquartered in Munich since inception in 1923, BayWa AG is a publicly traded company generating an annual revenue of 16.6 billion Euros and employs over 17,000 individuals across its three core segments: Agriculture, Building Materials, and Energy.

With over 1,800 employees working in BayWa r.e. in more than 30 locations across Europe, Japan, Southeast Asia and North America, the group has developed and constructed over 2.5 GWs and actively provides O&M and asset management for over 6 GWs. BayWa r.e. acquires, develops, constructs and operates renewable energy projects as well as distributing PV components on a wholesale basis. BayWa r.e. Solar Projects, LLC is responsible for the group's North American activities in the solar and storage sectors.

BayWa is a unique provider of renewable energy for a number of reasons:

- 96 Years of operating experience
- 6 GW of renewable energy experience
- The ability to finance the full cycle of a project on balance sheet
- 100% control and ownership of development assets
- Over 4 GW pipeline of projects in the U.S. and Mexican markets
- In-house turnkey services including development, EPC, financing and O&M

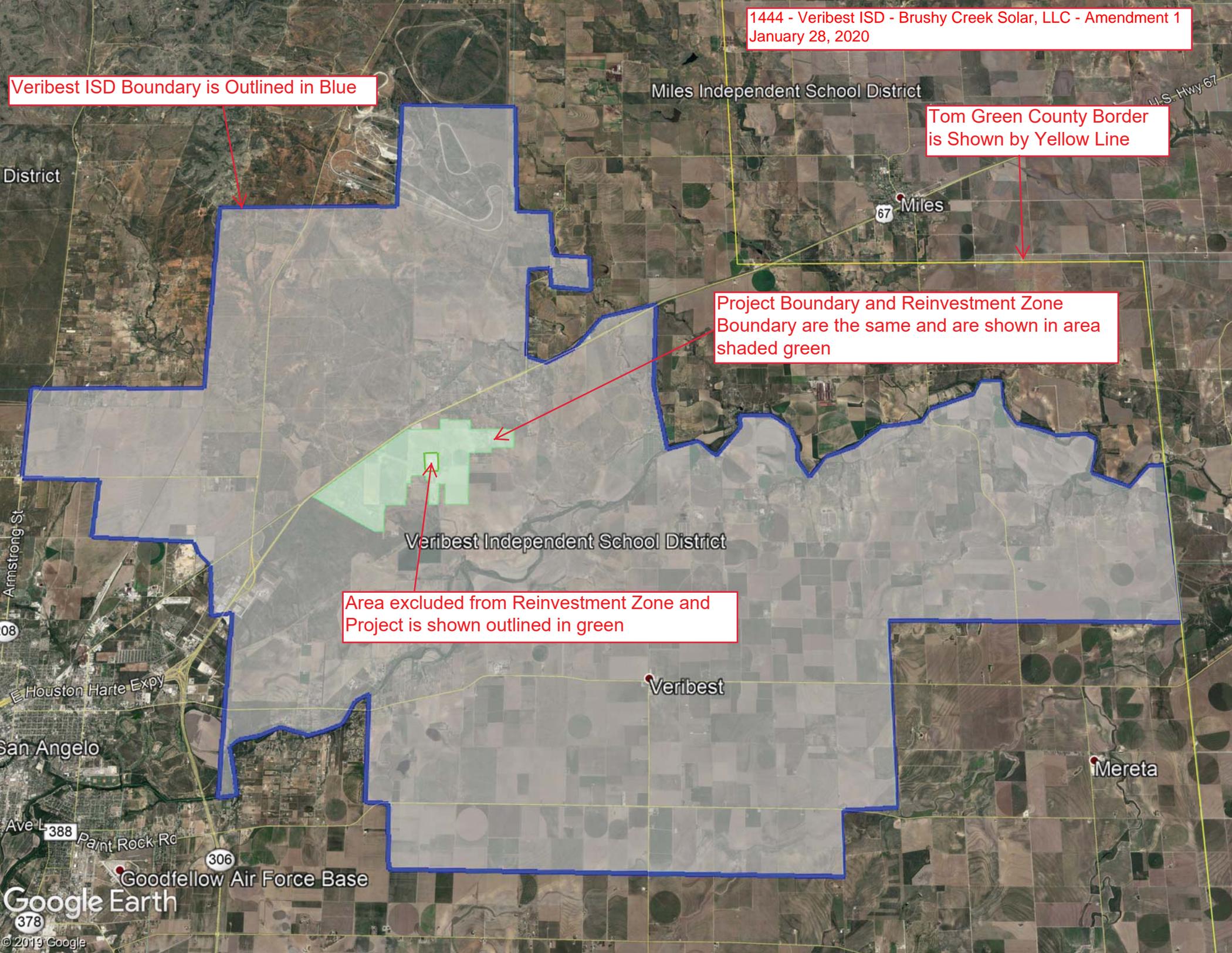
In light of its global scope, BayWa has many opportunities to invest its capital in other alternate locations in the United States and internationally. Current U.S. locations under consideration are in California, Kentucky, North Carolina, Illinois, Utah and Georgia. A key consideration for choosing to invest in this project is the projected return on capital. 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). Without the 313 Value Limitation, the applicant would be forced to allocate the resources and investment for this project and spend the potential investment in other states where the rate of return is higher.

Veribest ISD Boundary is Outlined in Blue

Tom Green County Border
is Shown by Yellow Line

Project Boundary and Reinvestment Zone
Boundary are the same and are shown in area
shaded green

Area excluded from Reinvestment Zone and
Project is shown outlined in green



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 → Ryder Appleton
Print Name (Authorized School District Representative)

Superintendent
Title

sign here → 
Signature (Authorized School District Representative)

01-29-2020
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 → Bill Gulley
Print Name (Authorized Company Representative (Applicant))

Chief Financial Officer
Title

sign here → 
Signature (Authorized Company Representative (Applicant))

1/28/2020
Date

GIVEN under my hand and seal of office this, the

_____ day of _____

Notary Public in and for the State of Texas

My Commission expires: _____

(Notary Seal)

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

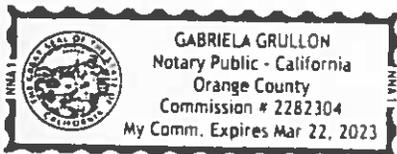
CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California
County of ORANGE }
On JANUARY 28th, 2020 before me, GABRIELA GRULLON, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer
personally appeared WILLIAM GULLEY
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



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

WITNESS my hand and official seal.

Signature Gabriela Grullon
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____